



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B40671

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

August 1, 2012

Board of Directors
Fort Wayne-Allen County Airport Authority
3801 W. Ferguson Road, Suite 209
Fort Wayne, IN 46809-3194

We have reviewed the audit report prepared by Crowe Horwath, LLP, Independent Public Accountants, for the period January 1, 2011 to December 31, 2011. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Fort Wayne-Allen County Airport Authority, as of December 31, 2011 and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

STATE BOARD OF ACCOUNTS

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
A COMPONENT UNIT OF ALLEN COUNTY
FORT WAYNE, INDIANA**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED DECEMBER 31, 2011**

Prepared by:

**Ronnie C. Portis, CPA
Controller**

**Sabrina P. Driver
Accounting**

**Janice R. Lewis
Accounting**

This Page Intentionally Left Blank



**FORT WAYNE-ALLEN COUNTY
AIRPORT AUTHORITY**

FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
TABLE OF CONTENTS

	<u>Page (s)</u>
I. INTRODUCTORY SECTION	
Geographic Locator Map.....	1
Board and Executive Director.....	2
Letter of Transmittal to Authority Board.....	3-7
Certificate of Achievement for Excellence in Financial Reporting.....	8
Organizational Chart.....	9
Principal Officials and Management.....	10
Airport Layout Map.....	11
 II. FINANCIAL SECTION	
Report of Independent Auditors.....	13
Management's Discussion and Analysis (Unaudited)	14-21
Financial Statements:	
Statement of Net Assets.....	22-23
Statement of Revenues, Expenses and Changes in Fund Net Assets.....	24
Statement of Cash Flows.....	25-26
Notes to Financial Statements.....	27-46
Required Supplementary Information (Unaudited):	
Employees Retirement Plan.....	48
Retiree Healthcare Plan.....	49
Combining Schedules:	
Combining Schedule of Net Assets.....	52-53
Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets.....	54
Combining Schedule of Cash Flows.....	55-56
Other Supplementary Information:	
Schedule of Debt Service Requirements to Maturity.....	58
Schedule of Capital Assets and Accumulated Depreciation.....	59
Schedule of Revenues-Budget and Actual.....	60
Schedule of Expenses-Budget and Actual.....	61
 III. STATISTICAL SECTION (UNAUDITED)	
Annual Revenues, Expenses and Changes in Fund Net Assets.....	64-65
Principal Revenue Sources, Cost per Enplaned Passenger, and Airline Rates and Charges.....	66-67
Principal Taxpayers.....	68
Tax Levies and Collections.....	70-71
Assessed Values of Property.....	72-73
Property Tax Rates and Tax Levies - All Overlapping Governments..	72-73
Property Values and Construction.....	74
Ratios of Outstanding Debt.....	76-77
Pledged Revenue Coverage.....	78-79
Allen County Demographic and Economic Statistics.....	80
Allen County Principal Employers.....	81
Fort Wayne International Airport Information.....	82-83
Enplaned Passengers.....	84-85
Airline Landing Weights.....	86-87
Aircraft Operations.....	88-89
Fort Wayne International Airport Scheduled Airline Service.....	90



Fort Wayne International Airport (FWA)



Smith Field Airport (SMD)

**INTRODUCTORY
SECTION**

Fort Wayne-Allen County Airport Authority

Board and Executive Director



Michael S. Gouloff, President



Richard B. "Barry" Sturges, Jr., Vice President



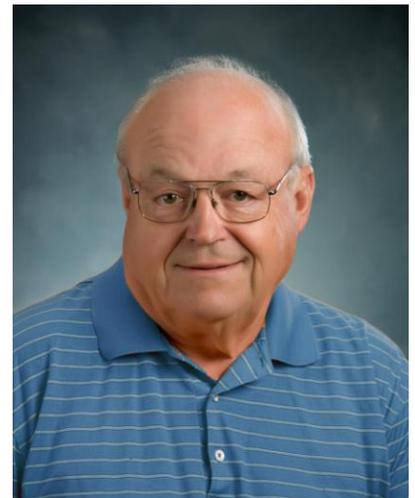
Timothy J. Haffner, Secretary



Cornelius "Neil" B. Hayes, Member



Jerome "Jerry" Henry, Jr., Member



Benjamin "Ben" T. Johnston, Member



Scott D. Hinderman, A.A.E.
Executive Director of Airports



June 13, 2012

To the Members of the Board, and Citizens of Fort Wayne and Allen County:

The Comprehensive Annual Financial Report (CAFR) of the Fort Wayne-AlLEN County Airport Authority, a component unit of Allen County, Indiana (the Authority), for the fiscal year ended December 31, 2011 is submitted with this letter. This report was prepared by the Authority's financial staff.

The financial statements, note disclosures, and other information are the representations of management. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control that has been established for this purpose. Internal control is designed to provide reasonable, but not absolute, assurance that the financial statements are free of material misstatements. Reasonable assurance recognizes that the cost of internal control should not exceed the anticipated benefits of such control.

Crowe Horwath LLP, Certified Public Accountants, have issued an unqualified opinion on the Authority's financial statements for the year ended December 31, 2011. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) can be found immediately following the report of independent auditors in the financial section of this report. The MD&A includes financial highlights, overview of the financial statements, condensed financial information and analysis, and capital asset and long-term debt activity. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government - The Authority is an Indiana Municipal Corporation established July 1, 1985 under authority granted by Indiana Statute (IC 8-22-3-1). As detailed in the statute, the Authority was established for the general purpose of acquiring, maintaining, operating, and financing airports in and bordering on Allen County, Indiana. The Authority is empowered to, among other things, issue general obligation and revenue bonds and levy taxes in accordance with statutory provisions. The Authority manages an airport system in Allen County, Indiana composed of Fort Wayne International Airport, a non-hub primary commercial service airport, located in southwest Allen County, and Smith Field Airport, a general aviation airport, located in the north central part of the county.

The Authority's Board consists of six members. Three are appointed by the Mayor of the City of Fort Wayne and three are appointed by the Allen County Commissioners. The appointments are non-authoritative in nature. That is, there is no continuing linkage between the appointing authority and the board member. Board members cannot be removed without cause, and Indiana law provides an impeachment procedure to be utilized in the event that there is reasonable cause for removal of a board member.

The Allen County Council may review and modify the Authority's operating budget and the tax levy to support it. Also, issuance of general obligation bonds must be approved by the County Council and revenue bonds must be approved by the County Commissioners.

Based upon the degree of fiscal dependency and resulting financial accountability exercised by the Allen County Council and Commissioners, the Authority is considered a component unit of Allen County, Indiana, under the criteria set forth by the Government Accounting Standards Board. These criteria, as they specifically apply to the Authority, are detailed on pages 27 and 28 of the notes to the financial statements.

The Authority's component units, the Fort Wayne International Airport Building Corporation (FWIABC) and the Fort Wayne International Airport Air Trade Center Building Corporation (FWIAATCBC), are autonomous quasi-governmental units. Although FWIABC and FWIAATCBC are legally separate from the Authority, they are reported as if they were part of the Authority because their sole purpose is to finance construction projects for the Authority. Additional information on these component units can be found in the notes to the financial statements on pages 28 and 29.

The annual budget of the Authority is prepared by the staff and adopted by ordinance of the Board. The budget is reviewed and approved by the State Department of Local Government Finance.

Budgetary control is maintained at the major expense category level by the encumbrance of purchase orders against available legally adopted appropriations. Open purchase orders or encumbrances at the end of the fiscal year are automatically added to the subsequent year's budget under state law. For budget purposes, expenses are recognized in the year encumbered. For financial statement purposes, expenses are recognized when incurred.

Local Economy - During 2011, unemployment in the Fort Wayne Metropolitan Statistical Area (MSA) (Allen, Wells, and Whitley counties) averaged 9.0 (non-seasonally adjusted) percent, after beginning the year at 10.5 percent in January and ending at 8.5 percent in December. The lowest rate of 8.5 percent occurred in April, October and December; and the highest rate of 10.5 percent occurred in January.

The Fort Wayne MSA received some good economic news during the year. According to The Fiscal Times, an online publication, the Fort Wayne MSA led the nation in net job growth rate between September 2010 and September 2011. According to

Merrill Goozner, Senior Correspondent for The Fiscal Times, the Fort Wayne MSA had a net increase of approximately 8,000 jobs, a 3.9 percent growth rate. The unemployment rate fell from 9.4 percent to 8.5 percent during the same period. According to John Stafford, Director of the Community Research Institute, Indiana-Purdue University of Fort Wayne in an article written for the Indiana Business Review, "we must go back to December 2008 to find resident employment in the Fort Wayne MSA as high as the September 2011 level of 195,627. While the Fort Wayne MSA currently represents approximately 7 percent of all statewide employment, the 8,838 net increase in the number of residents employed in the region over the past year represents 24 percent of statewide employment growth."

The turnaround in the local economy was also evident at the Fort Wayne International Airport as the number of commercial flight operations increased by 4.3 percent during 2011. In addition, the number of enplaned passengers increased slightly from 277,101 to 277,938. The expectations are that the level of enplanements will continue to be stable during 2012. The airlines' cost per enplaned passenger decreased from \$10.18 in 2010 to \$9.96 in 2011. This decrease was caused by both keeping airline costs flat, and increasing the use of passenger facility charges to pay debt service, thereby reducing the terminal rental rate for the airlines. The Authority continues to strengthen its marketing efforts to retain existing and attract new airline service to the Airport.

The local economy is well diversified with several major industries located within Allen County and the Fort Wayne region: health care, defense/aerospace engineering, financial services, automotive manufacturing, luggage and handbag manufacturing, and educational institutions of higher learning.

The schedule on page 81 of this report details additional information regarding diversity in the local economy, as the area is not dependent on the fortunes of a single employer. The ten largest employers in Allen County make up only 15 percent of total employment. On page 68, it can be discerned that local government is not dependent on a single taxpayer or group of taxpayers for its revenue base. The top ten taxpayers in Allen County provide only 9.4 percent of taxable assessed valuation. Another positive development is that the number of building permits issued by the Allen County Building department for single-family and duplex residential building construction decreased from 706 in 2010 to 657 in 2011. This slight decrease follows two consecutive years of increases.

Long-term Financial Planning - The Authority has included in its capital improvement plan provisions to upgrade facilities at Smith Field, the Authority's general aviation airport, and Fort Wayne International. The Authority anticipates financing these capital improvements with a variety of funding mechanisms including passenger facility charges, federal and state grants, cumulative building tax revenues, and local airport revenues. Included in the capital improvement plan are provisions to make substantial improvements to the infrastructure and facilities at Smith Field: construct common use and terminal building ramps; construct a new terminal and hangar

access road; construct a fuel farm; construct new T-hangars; storm water and other improvements; acquire land for runway extensions; and complete additional infrastructure and building improvements. These substantial improvements are needed for safety reasons and also to increase the attractiveness and utilization of Smith Field Airport.

At Fort Wayne International, the Authority plans to upgrade the electrical capacity within the passenger terminal, complete gate electrification and install preconditioned air inside all jet bridges; replace several jet bridges; reconstruct Runway 14-32; reconstruct Runway 5-23 and Taxiway C; construct Runway 5-23 shoulders; construct a new west ramp access road; replace the perimeter security fence; and modernize the passenger terminal. Rehabilitating and replacing jet bridges will improve passenger safety and convenience. Reconstructing the runways and taxiways will enhance safety on the airfield. Constructing the new access road will allow tenants to have easier access to westside facilities. Renovating the terminal will give the Authority better utilization of its current space, solve retail space needs and improve the terminal's traffic flow. The Authority plans to maximize the use of federal and state grants from the Airport Improvement Program for airfield projects, and use passenger facility charges to finance eligible terminal projects. The Authority has also requested a Voluntary Airport Low Emission Program grant to help finance the terminal gate electrification project.

Major Initiatives - The Authority made great strides in increasing the marketability of facilities within its Air Trade Center. The Authority refunded the 1998 First Mortgage Bonds. These tax exempt bonds restricted the use of the facilities to aeronautical use only. By refunding the bonds with a federally taxable issue, this restriction was eliminated. This action increased the marketability of the facilities and enabled the Authority to enter into a lease agreement with a non-aeronautical tenant for a portion of the facilities. The outlook is good for leasing the remaining portions in the near future.

Awards and Acknowledgements - The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Fort Wayne-Allen County Airport Authority for its CAFR for the fiscal year ended December 31, 2009. This was the twenty-second (1989 - 2010) consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Without the strong commitment of the Authority Board to the highest standards of financial reporting, disclosure, and professionalism, this report would not have been possible. Our sincerest appreciation is expressed to all of you. The

preparation of this report would not have been possible without the efficient and dedicated services of the accounting staff, Sabrina P. Driver and Janice R. Lewis. We would like to express our appreciation to the accounting staff, and others who assisted and contributed to the preparation of this report. We acknowledge the assistance of Crowe Horwath LLP, Certified Public Accountants; Tera Klutz, Allen County Auditor; and Rebecca D. Ross, Property Manager.

Respectfully submitted,

FOR WAYNE-ALLEN COUNTY AIRPORT AUTHORITY



Scott D. Hinderman, A.A.E.
Executive Director of Airports



Ronnie C. Portis, CPA
Controller/Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fort-Wayne Allen County
Airport Authority, Indiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



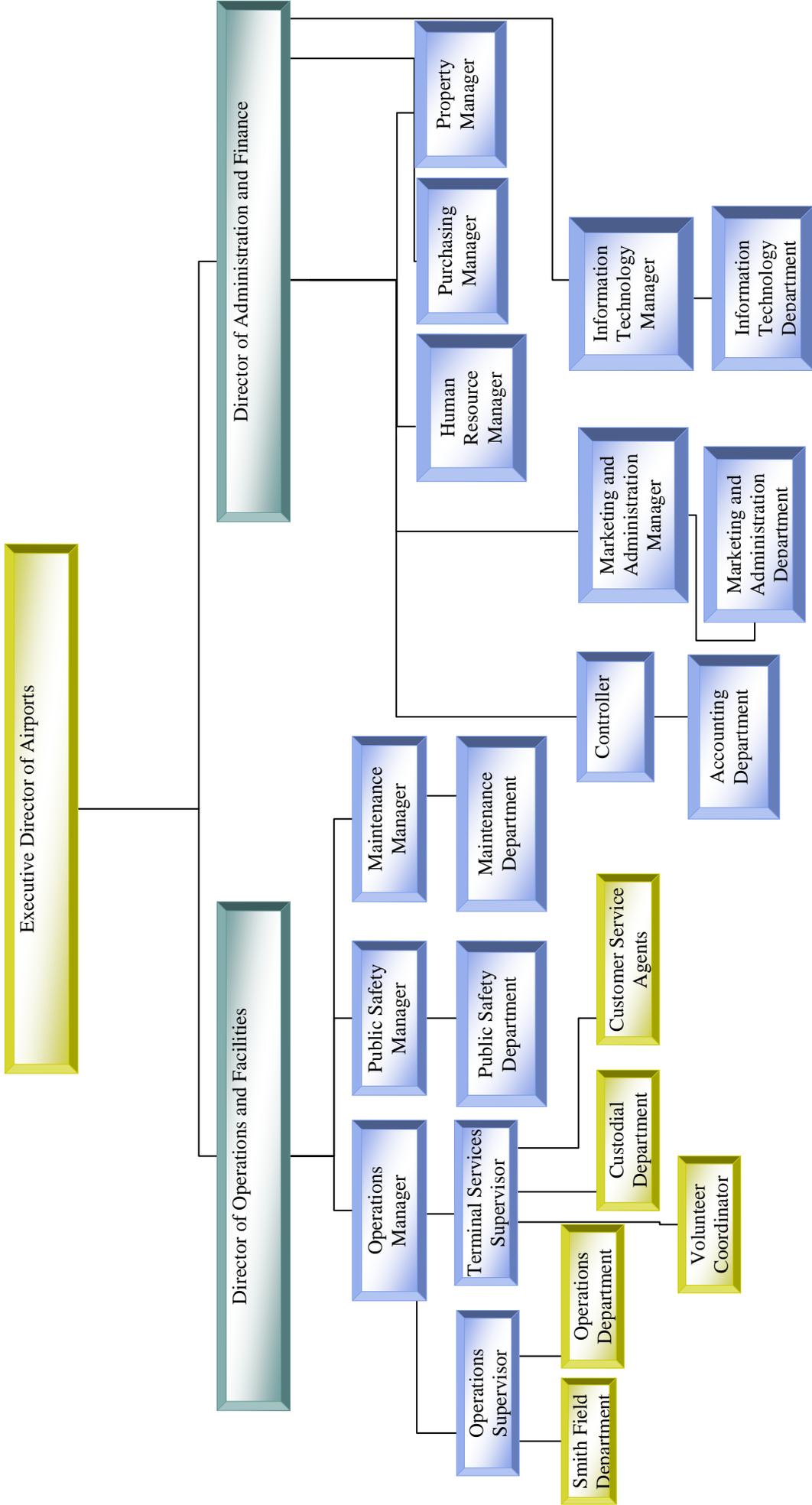
Linda C. Dandison

President

Jeffrey R. Emer

Executive Director

Fort Wayne Allen County Airport Authority



FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Principal Officials and Management

NAME	TITLE	YEARS OF SERVICE
Michael S. Gouloff	President	15
Richard B. "Barry" Sturges, Jr.	Vice President	5
Timothy J. Haffner	Secretary	18
Cornelius "Neil" B. Hayes	Member	9
Jerome "Jerry" F. Henry, Jr.	Member	5
Benjamin "Ben" T. Johnston	Member	4

STAFF

Scott D. Hinderman, AAE	Executive Director of Airports	1
Craig A. Williams, AAE	Director of Operations and Facilities	1
Ronnie C. Portis, CPA	Controller/Treasurer	20

ATTORNEYS

Rothberg, Logan and Warsco LLP		21
--------------------------------	--	----

CERTIFIED PUBLIC ACCOUNTANTS

Crowe Horwath LLP		12
-------------------	--	----

This Page Intentionally Left Blank



**FORT WAYNE-ALLEN COUNTY
AIRPORT AUTHORITY**

FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT

**FINANCIAL
SECTION**

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
Fort Wayne-Allen County Airport Authority:

We have audited the accompanying statement of net assets of the Fort Wayne-Allen County Airport Authority, (the Authority), as of December 31, 2011 and the related statements of revenues, expenses and changes in fund net assets and of cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2011, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 14 through 21 and the Schedules of Funding Progress on pages 48 through 49 to be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Combining Schedules from pages 52 through 56 and Other Supplementary Information from pages 58 through 61 are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling other information directly to the underlying accounting and such records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we do not express an opinion or provide any assurance on it.



Crowe Horwath LLP

Management's Discussion and Analysis

The management of the Fort Wayne-Allen County Airport Authority (the Authority) provides the following narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2011. Please read it in conjunction with the letter of transmittal to the Authority Board, located on pages 3 through 7.

Financial Highlights

The Authority's net assets increased \$492,120 as a result of this year's operations.

Unrestricted net assets increased \$4,881,421 or 46 percent due to a substantial increase in cash, cash equivalents, and investments. Cash and investments increased as a result of the sale of Authority land and the transfer of cash with restrictions to the unrestricted category when the 1998 First Mortgage Bonds were refunded.

Restricted net assets decreased 22.5 percent due to a bond refunding that eliminated the restricted use of certain cash reserves, and a reduction in cash available for debt service generated through tax revenues.

The Authority's bonds and other long-term liabilities decreased by \$3,297,562, or 17.6 percent. This was due primarily to the normal retirement of long-term debt as bond maturities came due.

Current assets increased \$3,312,872 or 16.5 percent due to cash received from the sale of land that was no longer needed by the Authority, and the transfer of cash from restricted assets.

Current liabilities increased \$906,297 or 18 percent due to a substantial increase in construction contracts payable at the end of 2011.

Operating revenues increased \$388,459 from 2010 to 2011, due to new leases with tenants located in the Air Trade Center area.

Nonoperating revenues (expenses) increased \$288,717 gain on sale of capital assets and the receipt of a Small Community Air Service Development grant.

Nonoperating expenses decreased \$219,419 or 19.9 percent due to a bond refunding that resulted in reduced interest rates. In addition, as bond payments were made, these interest rates were applied against smaller balances during 2011.

Capital contributions decreased \$4,499,239 or 69.6 percent due to a reduction in the amount of federal grants received. The Authority did not receive any

discretionary FAA grants during the year.

Overview of the Financial Statements

The Authority financial report consists of three financial statements: the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Fund Net Assets, and the Statement of Cash Flows. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). The reporting entity consists of the Authority and its component units, the Fort Wayne International Airport Building Corporation (FWIABC) and the Fort Wayne International Airport Air Trade Center Building Corporation (FWIAATCBC). The Authority and its relationship with its component units are more fully described in the notes to the financial statements. The Authority, the FWIABC and the FWIAATCBC are structured as a single enterprise fund. Revenues are recognized when earned, and expenses are recognized when incurred. Capital expenditures are capitalized as assets and (except for land, land improvements and construction in progress) are depreciated over their estimated useful lives.

Statement of Net Assets - This Statement presents information on the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. Net assets are shown in three components: invested in capital assets, net of related debt; restricted; and unrestricted.

Statement of Revenues, Expenses and Changes in Fund Net Assets - This is the operating statement for the Authority. Revenues and expenses are categorized as either operating or non-operating based upon GASB Statements 33 and 34. Federal and state operating grants are reported as non-operating revenues, and capital grants are reported on this Statement as capital contributions.

Statement of Cash Flows - This Statement is used to report the classification of cash receipts and payments according to whether they stem from operating, noncapital financing, capital and related financing, or investing activities. The Authority reports cash flows from operating activities using the direct method, as required by GASB Statement 34. Using the direct method, the Authority reports cash flows from operating activities directly by showing major classes of operating cash receipts and payments (for example, receipts from customers, payments to suppliers, payments to employees, etc.) A reconciliation of operating income to net cash flow from operating activities is also required, and is located on the second page of this statement.

Notes to the financial statements - The Notes provide additional information that is essential to a full understanding of the data provided in the Authority's financial statements. The notes to the financial statements can be found on pages 27 through 46 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Authority's progress in funding its obligation to provide pension benefits to its employees, and funding progress for its retiree healthcare plan. Required supplementary information can be found on pages 48 and 49 of this report.

Condensed Financial Information

Net assets - The Authority's net assets increased \$492,120 from 2010 to 2011. The growth in net assets is attributed to increases in all net asset classifications with a large percentage increase in unrestricted net assets as described above. This increase in unrestricted net assets offset decreases in restricted net assets and net assets invested in capital assets, net of related debt. The increase in net assets indicates that the Authority's financial position improved from 2010. As noted previously, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

Capital assets decreased \$4,771,263 or 4.6 percent due to increased accumulated depreciation that offset capital asset acquisitions in the current year.

Other noncurrent assets decreased \$443,751 or 7.7 percent due to a reduction in cumulative building fund cash that will be used for terminal building improvements during 2012. This cash was reclassified to a current asset. In addition, net pension assets decreased by \$108,624.

Other noncurrent liabilities, which include accrued compensated absences, net pension obligation and net other postemployment benefit obligation, changed only slightly from 2010 to 2011. However, within this classification, a 17.6 percent increase in other postemployment benefit obligation was more than offset by a decrease in accrued compensated absences.

Investment in capital assets (net of related debt) decreased \$1,690,707 (or 2.1 percent) because increased accumulated depreciation exceeded both capital asset additions and the reduction in debt.

The Authority's investment in capital assets (e.g., land, buildings and improvements, infrastructure items, and equipment), net of related debt, is the largest portion (76.5 percent) of net assets. These capital assets are used to provide services to customers. Consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources required to repay this debt must be provided annually from other sources such as operating and nonoperating revenues, since the capital assets themselves cannot be liquidated to pay these liabilities.

In addition, 8.8 percent of the Authority's net assets represent resources

that are subject to external restrictions on how they may be used. The restricted balances represent bond reserves that are subject to external restrictions on how they can be used under bond covenants; passenger facility charges that are restricted by Federal regulations; cumulative building fund cash and investments that are restricted by State law; and security deposits held for tenants and other users of Airport facilities. The remaining balance (14.7 percent) of \$15,491,578 is unrestricted net assets, which may be used to meet the Authority's ongoing obligation to its citizens, customers, and creditors within FAA operating guidelines.

A summary of the Authority's 2011 net assets compared to 2010 follows:

Authority's Net Assets				
	2011	2010	Increase (Decrease)	Percent Change
Current assets	\$ 23,410,900	\$20,098,028	\$ 3,312,872	16.5%
Other noncurrent assets	5,305,066	5,748,817	(443,751)	(7.7)
Capital assets (net)	99,287,482	104,058,745	(4,771,263)	(4.6)
Total assets	<u>128,003,448</u>	<u>129,905,590</u>	<u>(1,902,142)</u>	(1.5)
Current liabilities	5,929,941	5,023,644	906,297	18.0
Noncurrent liabilities				
Other noncurrent liabilities	1,348,125	1,351,122	(2,997)	(0.2)
Bonds and other long-term debt	15,491,867	18,789,429	(3,297,562)	(17.6)
Total liabilities	<u>22,769,933</u>	<u>25,164,195</u>	<u>(2,394,262)</u>	(9.5)
Net assets:				
Invested in capital assets, net of related debt	80,453,062	82,143,769	(1,690,707)	(2.1)
Restricted	9,288,875	11,987,469	(2,698,594)	(22.5)
Unrestricted	<u>15,491,578</u>	<u>10,610,157</u>	<u>4,881,421</u>	46.0
Total net assets	<u>\$105,233,515</u>	<u>\$104,741,395</u>	<u>\$ 492,120</u>	0.5

Changes in Net Assets - Operating revenues increased by \$388,459 (or 4.5 percent) from 2010 to 2011. An increase (27.8 percent) in buildings and grounds revenue accounted for most of the operating revenue increase due to two new lease agreements with tenants in the Air Trade Center. Refunding the 1998 First Mortgage Bonds eliminated the aeronautical use only restriction of buildings in the Air Trade Center. Eliminating this restriction enabled the Authority to enter into an agreement with one of the tenants.

Nonoperating revenues (expenses) increased 3.7 percent from 2010 to 2011. This increase was the result of a \$180,748 increase in federal operating grant revenues and a \$644,913 increase in gain (loss) on disposal of assets. In addition to receiving the usual Department of Homeland Security grant for providing Law Enforcement Officer Services, the Authority also received a Small Community Air Service Development grant from the Department of Transportation. The Authority used this grant to provide shared use information technology equipment in the terminal for use by the airlines. The

increase in gain (loss) on disposal was due primarily to a gain on sale of land that was no longer included in the Authority's Master Plan. Increases in these categories were partially offset by decreases in property and other taxes and interest income. Property and other taxes decreased in 2011 due primarily to a reduction in the County Option Income Tax. This reduction was the result of a correction to an overpayment error committed by the State in 2010. Interest income decreased due to a continued reduction in interest rates.

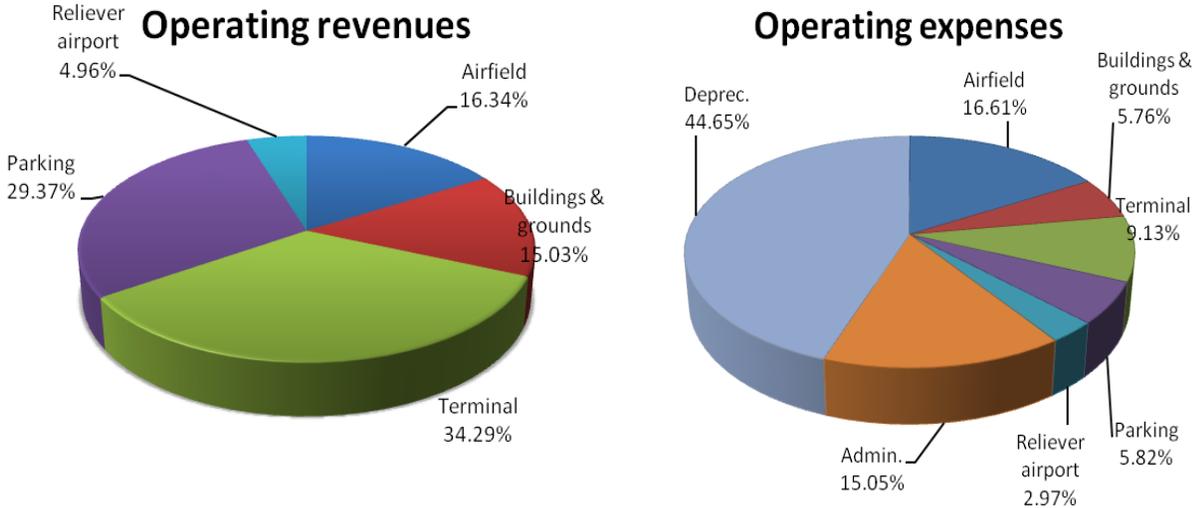
Operating expenses, as a whole, were virtually unchanged from 2010 to 2011. However, several components of operating expenses changed significantly. Airfield expenses increased \$277,824 or 10.5 percent due to increases in personal services with the additions of an Operations Department and increases in overtime in several departments. In addition, the Authority used more deicer materials on the runways and taxiways. Depreciation expense decreased \$588,984 as several large capital assets became fully depreciated during 2010.

A summary of the Authority's 2011 changes in net assets compared to 2010 follows below.

Authority's Changes in Net Assets

	2011	2010	Increase (Decrease)	Percent Change
Operating revenues:				
Airfield.	\$ 1,461,088	\$ 1,361,743	\$ 99,345	7.3%
Buildings and grounds . .	1,344,037	1,051,735	292,302	27.8
Terminal.	3,065,071	3,096,831	(31,760)	(1.0)
Parking	2,625,381	2,620,565	4,816	0.2
Reliever airport.	443,839	420,083	23,756	5.7
Total operating revenues. .	<u>8,939,416</u>	<u>8,550,957</u>	<u>388,459</u>	4.5
Nonoperating revenues (expenses):				
Property and other taxes.	6,310,443	6,783,287	(472,844)	(7.0)
Federal operating grant .	312,639	131,891	180,748	137.0
Passenger facility charges	1,099,255	1,102,936	(3,681)	(0.3)
Interest income	102,068	162,487	(60,419)	(37.2)
Gain (Loss) on capital asset disposal.	<u>235,461</u>	<u>(409,452)</u>	<u>644,913</u>	157.5
Net nonoperating revenues (expenses)	8,059,866	7,771,149	288,717	3.7
Total revenues.	<u>16,999,282</u>	<u>16,322,106</u>	<u>677,176</u>	4.1
Operating expenses:				
Airfield.	2,921,657	2,643,833	277,824	10.5
Buildings and grounds . .	1,013,593	918,107	95,486	10.4
Terminal.	1,605,688	1,542,356	63,332	4.1
Parking	1,023,453	994,218	29,235	2.9
Reliever airport.	522,721	559,963	(37,242)	(6.7)
Administration.	2,646,758	2,472,908	173,850	7.0
Depreciation.	7,852,015	8,440,999	(588,984)	(7.0)
Total Operating expenses. .	17,585,885	17,572,384	13,501	0.1
Nonoperating expenses . . .	<u>883,650</u>	<u>1,103,069</u>	<u>(219,419)</u>	(19.9)
Total expenses.	<u>18,469,535</u>	<u>18,675,453</u>	<u>(205,918)</u>	(1.1)
Deficiency before capital contributions . .				
	(1,470,253)	(2,353,347)	883,094	(37.5)
Capital contributions . . .	<u>1,962,373</u>	<u>6,461,612</u>	<u>(4,499,239)</u>	(69.6)
Increase (Decrease) in net assets.	492,120	4,108,265	(3,616,145)	(88.0)
Total net assets, beginning	<u>104,741,395</u>	<u>100,633,130</u>	<u>4,108,265</u>	4.1
Total net assets, ending. .	<u>\$105,233,515</u>	<u>\$104,741,395</u>	<u>\$ 492,120</u>	0.5

The following charts show the major sources and percentages of operating revenues and expenses for the year ended December 31, 2011:



Capital Asset Activity

During 2011, the Authority expended \$3,775,818 for capital improvements. The Authority completed the following projects at Fort Wayne International: purchase and installation of computer hardware and software for shared use by the airlines within the Terminal building at a cost of \$395,600; Restaurant remodeling for \$461,000; and several projects, including a master plan and a runway shoulder project, were unfinished at yearend. Among the capital asset disposals was the sale of land that was no longer included in the Authority’s Master Plan. The Authority sold the land for \$895,800.

In addition, the Authority had a T-Hangar building and ramp under construction at Smith Field Airport.

For additional information on capital asset activity, see note 5.

Long-Term Debt Activity

The 2004 Airport Improvement Refunding bonds were issued by the Fort Wayne International Airport Building Corporation, an Authority component unit. These bonds are insured and have a rating by Moody’s of Aaa, and an underlying rating also by Moody’s of Aa3.

In February of 2011, the First Mortgage Federally Taxable Refunding Bonds were issued by the Fort Wayne International Airport Air Trade Center Building Corporation, a component unit of the Authority, to refund the 1998 First Mortgage Bonds. The primary purpose of the refunding was to eliminate certain restrictions in the bond covenant. The bonds have a rating of AA+ by Fitch Ratings and Aa3 by Moody’s.

The bond ratings did not change during 2011.

The Authority has a legal debt limit of \$84,499,720 which represents 2 percent of the adjusted value of Allen County property. The adjusted value is one-third of the assessed value as certified by the State Department of Local Government Finance. Since the Authority has no general obligation debt outstanding, the legal debt margin is also \$84,499,720 as of December 31, 2011. Bonds issued by a building corporation do not count against the legal debt limit. As a result, the Authority has no debt limitations that will affect the financing of planned facilities or services.

For additional information on bonds and other long-term debt, see note 9.

Currently Known Facts

The Authority's property tax rates include a debt service levy in addition to the operating and cumulative building fund. In 2012, the operating, debt service and cumulative building tax rates are .0282, .0154, and .0031, respectively. The rates are per \$100 of assessed value and will be applied on an assessed value of \$12,741,704,078. These rates compare to the 2011 rates for operating, debt service and cumulative building of .0276, .0138 and .0033, respectively.

Requests for Information

This financial report is designed to provide the Authority's taxpayers, citizens, investors, creditors and customers with a general overview of the Authority's finances, and to show the Authority's accountability for the funds it receives and expends. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Administration and Finance, 3801 W. Ferguson Road, Suite 209, Fort Wayne, Indiana 46809-3194.

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Statement of Net Assets
December 31, 2011

ASSETS	Totals
CURRENT ASSETS:	
Unrestricted assets:	
Cash and cash equivalents--note 2.....	\$ 6,192,079
Investments--note 2.....	11,500,000
Accounts receivable, net of allowance.....	56,773
Unbilled revenue.....	372,993
Property tax receivables, net of allowance--note 1.....	53,567
Other receivables.....	31,987
Inventory--note 4.....	252,561
Prepaid items.....	297,895
Total unrestricted assets.....	<u>18,757,855</u>
Restricted assets:	
Cash and cash equivalents-including \$1,077,483 held by trustee--notes 2 and 3.....	2,989,199
Investments--note 2.....	500,000
Passenger facility charge receivable.....	138,488
Federal and state grants receivable.....	974,671
Property tax receivables, net of allowance--note 1.....	26,783
Other receivables.....	23,904
Total restricted assets.....	<u>4,653,045</u>
Total current assets.....	<u>23,410,900</u>
NONCURRENT ASSETS:	
Restricted assets:	
Cash and cash equivalents-including \$7,978 held by trustee--notes 2 and 3.....	126,101
Investments--notes 2 and 3.....	5,000,000
Property tax receivable, net of allowance--note 1.....	6,405
Total restricted assets.....	<u>5,132,506</u>
Capital assets, net--note 5.....	<u>99,287,482</u>
Other assets:	
Bond issue costs, less accumulated amortization of \$704,743.....	172,560
Total noncurrent assets.....	<u>104,592,548</u>
Total assets.....	<u>\$ 128,003,448</u>

LIABILITIES AND NET ASSETS	Totals
CURRENT LIABILITIES:	
Payable from unrestricted:	
Accounts payable.....	\$ 1,684,703
Accrued liabilities.....	406,009
Total unrestricted.....	<u>2,090,712</u>
Payable from restricted:	
Accounts payable.....	91,059
Current portion of long-term debt--note 9.....	3,342,553
Accrued interest on long-term debt.....	405,617
Total restricted.....	<u>3,839,229</u>
Total current liabilities.....	<u>5,929,941</u>
NONCURRENT LIABILITIES:	
Net other postemployment benefits obligation.....	383,144
Net pension obligation.....	12,560
Accrued compensated absences.....	952,421
Bonds and other long-term debt, net--note 9.....	15,491,867
Total noncurrent liabilities.....	<u>16,839,992</u>
Total liabilities.....	<u>22,769,933</u>
NET ASSETS:	
Invested in capital assets, net of related debt.....	80,453,062
Restricted for:	
Debt service.....	2,406,830
Capital projects.....	6,882,045
Unrestricted.....	15,491,578
Total net assets.....	<u>105,233,515</u>
Total liabilities and net assets.....	<u>\$ 128,003,448</u>

The accompanying notes are an integral part of the financial statements.

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended December 31, 2011

	Totals
OPERATING REVENUES:	
Airfield.....	\$ 1,461,088
Buildings and grounds.....	1,344,037
Terminal.....	3,065,071
Parking.....	2,625,381
Reliever airport.....	443,839
Total operating revenues.....	8,939,416
OPERATING EXPENSES:	
Airfield.....	2,921,657
Buildings and grounds.....	1,013,593
Terminal.....	1,605,688
Parking.....	1,023,453
Reliever airport.....	522,721
Administration.....	2,646,758
Depreciation.....	7,852,015
Total operating expenses.....	17,585,885
LOSS FROM OPERATIONS.....	(8,646,469)
NONOPERATING REVENUES (EXPENSES):	
Property and other taxes.....	6,310,443
Federal operating grant.....	312,639
Passenger facility charge.....	1,099,255
Interest income.....	102,068
Interest expense.....	(883,650)
Gain on disposal of capital assets.....	235,461
Net nonoperating revenues (expenses).....	7,176,216
LOSS BEFORE CAPITAL CONTRIBUTIONS.....	(1,470,253)
CAPITAL CONTRIBUTIONS:	
Federal and state grants.....	1,962,373
INCREASE IN NET ASSETS.....	492,120
NET ASSETS:	
Total net assets, beginning of year.....	104,741,395
Total net assets, end of year.....	\$ 105,233,515

The accompanying notes are an integral part of the financial statements.

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Statement of Cash Flows
For the Year Ended December 31, 2011

	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers.....	\$ 9,150,386
Payments to suppliers.....	(4,248,401)
Payments to employees.....	(4,032,621)
Payments of benefits on behalf of employees.....	(1,495,440)
Refunds and return of customer deposits.....	(6,730)
	<u>(632,806)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITY:	
Receipts of property and other taxes.....	4,123,826
Operating grant receipts.....	200,746
	<u>4,324,572</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Receipts of property and other taxes	2,173,021
Acquisition and construction of capital assets.....	(3,260,055)
Sale of capital assets.....	930,526
Proceeds from sale of bonds.....	14,710,000
Principal paid to refund bonds.....	(14,450,000)
Bond issuance costs paid.....	(187,356)
Principal paid on bonds and other long-term debt.....	(3,235,000)
Interest paid on bonds and other long-term debt.....	(1,028,259)
Capital grant receipts.....	3,771,929
Passenger facility charge receipts.....	1,108,724
	<u>533,530</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investment securities.....	(21,000,000)
Proceeds from sale and maturities of investment securities.....	17,950,000
Interest received on investments.....	133,368
	<u>(2,916,632)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS.....	1,308,664
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	7,998,715
CASH AND CASH EQUIVALENTS, END OF YEAR.....	\$ 9,307,379

continued

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Statement of Cash Flows-Continued
For the Year Ended December 31, 2011

	Totals
Reconciliation of operating loss to net cash used in operating activities:	
Loss from operations.....	\$ (8,646,469)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation.....	7,852,015
Amortization of bond issuance cost.....	57,705
Changes in assets and liabilities:	
Accounts receivable and unbilled revenue.....	(148,015)
Inventory.....	(22,862)
Net pension obligation.....	108,624
Prepaid items.....	(137,223)
Accounts payable.....	325,379
Accrued liabilities.....	(21,960)
Net cash used in operating activities.....	\$ (632,806)
 NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:	
CAPITAL AND RELATED FINANCING ACTIVITIES:	
Capital contributions from federal and state grants.....	\$ 1,809,556
Capital assets included in accounts payable.....	986,786

The accompanying notes are an integral part of the financial statements.

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Notes to Financial Statements

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The Fort Wayne-Allen County Airport Authority (the Authority) is a municipal corporation established July 1, 1985, under authority granted by Indiana statute (1961 Acts, Chapter 283, IC 1979 19-6-2, superseded by IC 8-22-3-1). The Authority, a component unit of Allen County, Indiana, was established for the general purpose of acquiring, maintaining, operating, and financing airports and landing fields in and bordering on Allen County, Indiana, and in connection therewith is authorized, among other things, to issue general obligation and revenue bonds and to levy taxes in accordance with the provisions of the statute. The Authority administers an airport system composed of Fort Wayne International Airport, a non-hub primary commercial service airport, and Smith Field, a general aviation airport. The Authority has no stockholders or equity holders and all revenues and other receipts must be disbursed in accordance with such statute.

Use of Estimates in Preparation of Financial Statements - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Reporting Entity - As required by accounting principles generally accepted in the United States of America, these financial statements present Fort Wayne-Allen County Airport Authority, a component unit of Allen County, Indiana, and the component units of the Authority: Fort Wayne International Airport Building Corporation (FWIABC) and Fort Wayne International Airport Air Trade Center Building Corporation (FWIAATCBC).

The Authority's Board consists of six members, three appointed by the Mayor of the City of Fort Wayne, and three by the Allen County Commissioners.

Based upon the fiscal independence or dependence criterion set forth by the Governmental Accounting Standards Board (GASB) the Authority is considered a component unit of Allen County.

In reaching the aforementioned conclusion, the Authority considered the following reporting entity definition criteria:

A. Financial Benefit or Burden Relationship

1. Responsibility for financing deficits lies exclusively with the Authority.
2. No other governmental entity is entitled to any portion of a surplus the Authority generates.

Fort Wayne-Allen County Airport Authority
Notes to Financial Statements-Continued

3. All guarantees of, or "moral responsibility" for, debt are borne by the Authority. Subject to approval, the Authority is empowered to and has issued Revenue Bonds payable solely from revenues derived from the operation of the airport system. The Authority also has outstanding General Obligation Bonds and, subject to approval, is empowered to issue such bonds in the future. These bonds are not general obligations of any other governmental entity, and neither the faith and credit nor the taxing power of any other governmental entity is pledged to their payment.

Although Allen County officials do not appoint a majority of the Authority's Board and no financial benefit or burden relationship exists, Allen County is financially accountable based upon fiscal dependency as follows:

B. Fiscal Dependency

1. The Authority's budget and the tax levy to meet it may be reviewed or modified by the Allen County Council.
2. The Authority may not issue general obligation bonds without the Allen County Council's approval, nor issue revenue bonds without the Allen County Commissioners' approval.

Since the Authority does not have the ability to complete the above essential events without substantive approval by Allen County officials, it is fiscally dependent upon Allen County and Allen County is financially accountable for the Authority. The Authority is therefore a component unit of Allen County.

The Authority's component units, FWIABC and FWIAATCBC, are autonomous quasi-governmental units. Although FWIABC and FWIAATCBC are legally separate from the Authority, they are reported as if they were part of the Authority because their sole purpose is to finance construction projects for the Authority. FWIABC sold tax-exempt bonds to finance these construction projects, which include the Terminal Building Modernization and Local Access Roads and Parking Facilities projects. FWIAATCBC sold tax-exempt bonds to finance Air Trade Center construction projects, which include an air freight hub, aircraft maintenance facility, air cargo sorting facilities, parking, fueling and related facilities, and personal property connected to the above. These bonds are collateralized by lease agreements with the Authority and will be retired through lease payments from the Authority. These lease agreements constitute the imposition of a financial burden on the Authority, and FWIABC and FWIAATCBC provide services exclusively to the Authority. Since FWIABC and FWIAATCBC are so intertwined with the Authority, their balances and transactions are blended with the Authority's balances and transactions. Because these arrangements with the blended component units are essentially lease agreements, and after eliminations have been made, there are no material activity and no material balances remaining. Therefore, there are no separate funds reported.

Fort Wayne-Allen County Airport Authority
Notes to Financial Statements-Continued

Financial information for FWIABC and FWIAATCBC can be obtained at the following addresses:

Fort Wayne International Airport
Building Corporation
3801 W. Ferguson Road, Suite 209
Fort Wayne, IN 46809

Fort Wayne International Airport Air
Trade Center Building Corporation
3801 W. Ferguson Road, Suite 209
Fort Wayne, IN 46809

Basis of Accounting and Reporting - The financial statements consist of a single enterprise fund, which is accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Authority reports revenues and expenses as operating or nonoperating. Operating revenues and expenses result from providing services in connection with the Authority's ongoing operations. The Authority classifies revenues from airlines, concessions, car rental companies, parking, and building and ground lessees as operating revenues. All expenses relating to operating the Authority such as personnel and administrative expenses, supplies, repairs to property and equipment, charges for professional and other contractual services, utilities, and depreciation expense on capital assets are reported as operating expenses.

All other revenues such as revenues from grants, property and other taxes, passenger facility charges, and interest income are considered nonoperating revenues. Interest expense is reported as nonoperating expense.

When both restricted and unrestricted resources are available for use, the Authority's policy is to use restricted resources first, then unrestricted resources as they are needed.

Capital lease transactions between the Authority and the FWIABC and FWIAATCBC have been eliminated in the financial statements.

The Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 51, Accounting and Financial Reporting for Intangible Assets, effective on January 1, 2010. This Statement establishes standards of accounting and financial reporting for intangible assets that lack physical substance, have a nonfinancial nature, and that have an initial life extending beyond a single reporting period. The provisions of this statement apply to all intangible assets except those that are acquired or created for obtaining income or profit; assets acquired through

Fort Wayne-Allen County Airport Authority
Notes to Financial Statements-Continued

capital lease transactions; and goodwill. Prior to adoption, all intangible assets (master plans and software) with definite useful lives have been amortized since their acquisition based upon their useful lives. None of the intangible assets (avigation easements) that have indefinite useful lives have been amortized. The disclosures required by this statement have no effect on the Authority's beginning net assets.

In accordance with the provisions of GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities that use Proprietary Fund Accounting, the Authority applies all applicable GASB pronouncements plus all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board opinions, and Accounting Research Bulletins issued on or before November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The Authority has elected not to apply FASB Statements and Interpretations issued after November 30, 1989. The same application of FASB pronouncements are used for the Authority's component units.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents, which are stated at cost, consist of short-term government money market funds.

Investments - Indiana statutes authorize the Authority to invest in United States obligations and issues of federal agencies, secured repurchase agreements, certificates of deposit, money market deposit accounts, passbook savings accounts and negotiable order of withdrawal (NOW) accounts.

The Authority invests exclusively in short-term nonnegotiable certificates of deposit that are stated at cost. The Authority's component units (FWIABC and FWIAATCBC) may invest in short-term highly liquid money-market investments and U.S. government securities that have maturities less than one year. These investments are valued at amortized cost. There is no material difference between the amortized cost and the fair value of these investments.

Unbilled Revenue - The Authority accrues revenue for rentals and fees earned but not yet billed as of year-end.

Inventories - At yearend, the Authority had a significant amount of supplies inventory on hand. Inventories are valued at cost using the first-in-first-out method.

Capital Assets - On July 1, 1985, under an intergovernmental joint agreement between Allen County and the City of Fort Wayne, and pursuant to Indiana Statute 8-22-3-1, the Authority was established and thereupon assumed all assets, obligations and equity of the City's airport operations. Prior to that date, the airport operated as an agency of the City under the Board of Aviation.

Fort Wayne-Allen County Airport Authority
Notes to Financial Statements-Continued

Capital assets, which include property, equipment, infrastructure (e.g., taxiways, runways, roads, terminal apron), and intangible assets are defined by the Authority as assets with an initial cost of \$5,000 or more and estimated useful life of two or more years. These assets are recorded at historical cost.

Capital assets assumed by the Authority from the City on July 1, 1985, are carried at historical cost, net of accumulated depreciation, in the accompanying financial statements and aggregated \$3,985,181 at December 31, 2011.

Maintenance and repairs that do not add value to the assets or materially extend assets lives are not capitalized. When capital assets are disposed of, the related cost and accumulated depreciation are removed from the respective accounts and any gain or loss on disposition is credited or charged to expense. Runways, taxiways, parking areas, sewers and other similar items are written off when fully depreciated unless clearly identified as still being in use.

Except for inexhaustible capital assets such as land, land improvements, aviation easements and construction in progress, all capital assets, including infrastructure assets are depreciated or amortized (intangibles) using the straight-line method over the estimated useful lives of the assets as follows:

	<u>Years</u>
Buildings and improvements	5-30
Infrastructure items	10-50
Intangibles	3-10
Equipment	3-20

In accordance with Financial Accounting Standards Board Statement No. 34, interest during construction periods, when significant, is capitalized and included in the cost of capital assets. The Authority incurred total interest cost of \$883,650 for the year ended December 31, 2011. The Authority did not capitalize any interest in 2011.

Bond Issue Costs - Bond issue costs are deferred and amortized over the life of the respective bond issue using the interest method.

Original Issue Discount and Premium - Original issue discount and premium on bonds are amortized using the interest method over the life of the bonds to which it relates.

Compensated Absences - All full-time employees receive compensation for vacations, holidays, illness, and certain other qualifying absences. The number of days compensated for the various categories of absence is generally based on length of service. Vacation that has been earned but not paid has been accrued in the financial statements. Accumulated unused sick leave benefits are nonvesting and are only paid out upon retirement. The maximum accumulation per employee is 1,460 hours for Public Safety employees and 1,040 hours for all other employees.

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Notes to Financial Statements-Continued

In accordance with GASB Statement No. 16, the Authority accrues accumulated unused sick leave benefits for employees with at least 10 years of service regardless of age and employees age 50 or older regardless of length of service. Based upon historical information, it was determined that these employees would most likely meet the conditions necessary to receive their sick leave benefits.

Net Assets - The difference between the Authority's assets and liabilities is net assets. Net assets consist of three components: Invested in capital assets, net of related debt; restricted and unrestricted. Invested in capital assets, net of related debt consist of capital assets, restricted and unrestricted, net of accumulated depreciation and reduced by outstanding debt related to the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws, or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The Authority's restricted assets are expendable. Unrestricted net assets consist of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Capital Grant Funds - Certain expenditures for airport capital improvements receive significant federal funding through the Airport Improvement Program of the Federal Aviation Administration (FAA), and the Department of the Army, National Guard Bureau, Department of Defense. Funds are also received for airport development from the State of Indiana. The Authority funds the remaining balance of such expenditures. Capital funding provided under government grants is considered earned as the related approved capital improvement expenditures are disbursed.

Passenger Facility Charge (PFC) Revenue - The Authority received approval from the FAA to impose and use a PFC of \$3 per enplaned passenger beginning July 1, 1993. The charge is used for construction and debt service payments on two projects:

- (1) Loop Access Roadway and Parking Improvements, and
- (2) Terminal Expansion and Renovation

During 2005, the Authority received approval from the FAA to increase the PFC from \$3 to \$4.50 per enplaned passenger beginning December 1, 2005. In addition, the Authority received approval to purchase firefighting and snow removal equipment, in addition to the two projects above, with the new PFC collections. The following projects (equipment) were approved:

- (1) Aircraft Rescue and Firefighting Vehicle
- (2) 4 X 4 High Speed Runway Snow Blower
- (3) 4 X 4 High Speed Snowplow
- (4) 4 X 4 High Speed Snowplow, and
- (5) Mobile Deicer Collector Unit

PFC's are collected by the airlines and are recognized as revenue by the Authority as they are earned, and are included in nonoperating revenues.

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Notes to Financial Statements-Continued

Rental Income - All leases of the Authority are accounted for as operating leases. Rental income is generally recognized as it becomes receivable over the respective lease terms. The Authority has no significant leases that would require the recording of income in accordance with GASB No. 13, Accounting for Operating Leases with Scheduled Rent Increases.

Property Taxes - The following summarizes the property tax calendar for the current year:

Lien date	March 1, 2010
Levy date	January 1, 2011
Tax bills mailed	April 1 and October 1, 2011
First installment payment due	May 10, 2011
Second installment payment due	November 10, 2011
Authority collection dates	June and December, 2011
Tax sale - 2011 delinquent property taxes	August, 2013

Property taxes levied are collected by the Allen County Treasurer and periodically remitted to the Authority.

Property taxes are accrued when levied, and receivables (current and noncurrent) aggregated \$246,327 with an allowance of \$159,572 for delinquent taxes, at December 31, 2011.

Risk Management - The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance to protect against all of these risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the past three years. There was no reduction in insurance coverage during 2011.

Budgetary Compliance - The State of Indiana requires the Authority to legally adopt a budget annually. The basis of budgetary adoption and compliance is primarily cash basis accounting. Open purchase orders are added to budgetary expenditures at year-end to measure compliance. Additionally, open purchase orders are automatically added to the following year's budget without the necessity of the additional appropriation legal process. All remaining unencumbered appropriations lapse at year-end.

The legal level of budgetary control is by major expense category. Budgeted amounts may be transferred within major expense categories solely upon approval from the Authority's Board. However, any revision that alters the total appropriation of any major expense category must, in addition, be approved by the State Department of Local Government Finance. During the year, several appropriation transfers were made to ensure that expenditures did not exceed budgeted appropriations.

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Notes to Financial Statements-Continued

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments included in the statement of net assets at December 31, 2011, consist of the following:

Cash and Cash Equivalents:	<u>Amount</u>
Current	\$ 6,192,079
Current, restricted	2,989,199
Noncurrent, restricted	<u>126,101</u>
	<u>9,307,379</u>
 Investments:	
Current	11,500,000
Current, restricted	500,000
Noncurrent, restricted	<u>5,000,000</u>
	<u>17,000,000</u>
	<u>\$26,307,379</u>

The carrying amounts of deposits and investments by type of investment at December 31, 2011 are as follows:

Cash deposits	\$ 8,220,938
Certificates of deposit	<u>17,000,000</u>
 Total deposits	 <u>\$25,220,938</u>

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority's deposits may not be returned. The Authority's deposit policy for custodial credit risk requires compliance with provisions of Indiana Code (IC) 5-13-9. The Authority's cash deposits and certificates of deposit are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Deposits in excess of \$250,000 at each bank are insured by the Indiana Public Deposits Insurance Fund (IPDIF). The IPDIF is a multiple financial institution collateral pool as provided under IC 5-13-12-1. Authority deposits totaling \$1,187,559 are insured by the FDIC. Remaining deposits are insured by the IPDIF.

At December 31, 2011, the Authority had the following cash equivalents (maturity of three months or less):

Short-term government money market funds	<u>\$ 1,085,461</u>
--	---------------------

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. FWIABC and FWIAATCBC, the Authority's component units, policies are to invest primarily in U.S. Government money market funds. Although not guaranteed by the FDIC or the IPDIF, these funds invest their assets exclusively in obligations of the U.S. Treasury and other obligations guaranteed by the U.S. Treasury. A portion of the Authority's bank deposits that are invested overnight in repurchase agreements are uninsured and held in the

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Notes to Financial Statements-Continued

financial institution's name. The Authority's policy is to follow IC 5-13-9-2.5, which requires that repurchase agreements be collateralized with U.S. Government securities.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. To minimize credit risks associated with investments, the Authority's policy is to follow IC 5-13-9-2.5, which limits investments to money market funds rated AAAM by Standard and Poor's Corporation or Aaa by Moody's Investors Service, Inc., repurchase agreements fully collateralized by U.S. Government securities, and U.S. Treasury obligations (or other U.S. Agency obligations). As of December 31, 2010, the Authority's investments met these criteria.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority's investment policy to minimize interest rate risk is to abide by the Indiana Code, which limits investments to securities with a stated maturity of not more than two years. This maturity limitation reduces the Authority's exposure to declines in fair values related to increases in interest rates. FWIABC and FWIAATCBC investment policy is to limit investments to money market funds that have a weighted average maturity of 90 days or less. These investments are available for redemption daily without penalty.

Foreign currency risk is the risk that changes in interest rates will adversely affect the fair value of an investment or deposit. All Authority deposits and investments are denominated in U.S. currency.

NOTE 3 RESTRICTED ASSETS

Cash, Cash Equivalents and Investments - Cash, cash equivalents and investments are restricted as follows:

Pursuant to the FWIABC Improvement Refunding Bonds of 2004 Trust Indenture:	
Bond Sinking Fund Account	\$ 1,070,245
Bond Operation and Reserve Account	7,977
 Pursuant to the FWIAATCBC First Mortgage Taxable Refunding Bonds of 2011 Trust Indenture:	
Bond Sinking Fund Account	---
Bond Issuance Account	7,238
Property Tax Revenues Reserved for Debt Service	811,254
 Pursuant to the Aviation Safety and Capacity Expansion Act of 1990, Federal Aviation Regulation Part 158:	
Passenger Facility Charge Account	750,462
 Pursuant to the Cumulative Building Fund	
Account Established in 2001	5,877,386

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Notes to Financial Statements-Continued

Security Deposits.	90,738
Total.	<u>\$ 8,615,300</u>

Airport Improvement Refunding Bonds of 2004

The Trust Indenture adopted December 23, 2004, in conjunction with the issuance of the Airport Improvement Refunding Bonds of 2004 (the 2004 Bonds), provided that certain accounting procedures be followed and certain accounts be established. The Trust Indenture requires the Trustee to establish the following accounts: Sinking Fund and Operation and Reserve.

Sinking Fund Account - In addition to any balance remaining in the Bond Issuance Expense Account, the Trustee will also deposit all rental payments received from the Authority, or an amount, which when added to the balance in the Sinking Fund Account equals the sum of the interest and principal due on or before or within 20 days after such payment becomes due. Any portion of rental payments remaining after such deposit shall be deposited into the Operation and Reserve Account. Principal and interest on the 2004 Bonds will be paid from the Sinking Fund Account as they become due.

Operation and Reserve Account - This account is used to pay incidental expenses of FWIABC, the principal, interest and redemption premium on the Bonds and, if the amount in the Sinking Fund Account is less than the required amount, the Trustee will transfer funds from the Operation and Reserve Account to raise the Sinking Fund Account to the appropriate level.

First Mortgage Taxable Refunding Bonds of 2011

The Trust Indenture adopted February 17, 2011 with the issuance of the First Mortgage Taxable Refunding Bonds of 2011, provided that certain accounts be maintained by the Trustee: Sinking Fund and issuance accounts.

Sinking Fund Account - This account is used to deposit rental payments received, and to pay principal and interest as they become due.

Operation and Reserve Account - This account is used to pay the cost to issue the bonds. Any funds remaining after all issuance costs have been paid shall be deposited into the Sinking Fund Account.

The Authority levies a property tax for the payment of principal and interest on these bonds. The levy became effective for taxes collected during 2009.

The Authority is in compliance with all significant financial bond covenants as of December 31, 2011.

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Notes to Financial Statements-Continued

NOTE 4 INVENTORIES

Inventory of supplies and materials at December 31 consists of the following:

	Amount
Supply inventories held for consumption.	\$ 213,594
Fixed based operator inventories held for resale	38,967
Total inventories.	\$ 252,561

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31 consists of the following:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land.	\$ 16,611,036	\$ 57,888	\$ 677,531	\$ 15,991,393
Intangibles	118,357			118,357
Work in progress. . .	1,157,964	2,837,531	461,005	3,534,490
Total capital assets, not being depreciated	17,887,357	2,895,419	1,138,536	19,644,240
Capital assets, being depreciated:				
Buildings and improvements. .	71,669,399	634,872	97,226	72,207,045
Infrastructure items.	131,655,850	206,614	7,682	131,854,782
Intangibles	1,886,262	124,549	---	2,010,811
Equipment	8,500,167	375,368	17,793	8,857,742
Total capital assets, being depreciated	213,711,678	1,341,403	122,701	214,930,380
Less accumulated depreciation for:				
Buildings and improvements. .	37,058,513	2,798,879	79,692	39,777,700
Infrastructure items.	84,088,716	4,424,417	7,682	88,505,451
Intangibles	1,457,879	124,488	---	1,582,367
Equipment	4,935,182	504,231	17,793	5,421,620
Total accumulated depreciation	127,540,290	7,852,015	105,167	135,287,138
Net capital assets	\$104,058,745	\$(3,615,193)	\$ 1,156,070	\$ 99,287,482

All depreciation expense, \$7,852,015 for the current year was charged to the Authority fund. There was no depreciation expense charged to component units.

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Notes to Financial Statements-Continued

NOTE 6 PROPERTY TAXES

The applicable property tax rates and related levies in 2011 are as follows:

	<u>Rate</u> <u>Per \$100</u>	<u>Property Tax</u> <u>Levies</u>
Operating.	\$.0276	\$ 3,498,288
Debt Service0138	1,749,144
Cumulative Building.	<u>.0033</u>	<u>418,274</u>
 Total.	 <u>\$.0447</u>	 <u>\$ 5,665,706</u>

NOTE 7 PENSION PLAN

On January 1, 1997, the statewide Indiana Public Employee's Retirement Fund (PERF) separated the Authority from Allen County's PERF account and established a separate account for the Authority. On the above date, the Authority assumed no liabilities and received no assets for employee service prior to this date. Assets and liabilities of the plan for Authority employee's prior to January 1, 1997 were transferred from Allen County on July 1, 2002. The Authority has adopted Governmental Accounting Standards Board (GASB) Statement Number 27, Accounting for Pensions by State and Local Governmental Employers. The Authority's Pension Plan has both a defined benefit and a defined contribution component.

Defined Benefit

Plan Description - The Authority's defined benefit pension plan, Indiana Public Employee's Retirement Fund (PERF), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERF is a statewide agent multiple-employer pension plan that acts as a common investment and administrative agent for state and local governmental units in Indiana. PERF issues a publicly available financial report that includes financial statements and required supplementary information (RSI). That report may be obtained by writing to the Indiana Public Employee's Retirement Fund, 1 North Capitol, Suite 001, Indianapolis, Indiana 46204, or by calling 1-317-233-4123.

Funding Policy - Indiana Statutes (IC 5-10.2 and 5-10.3) govern most requirements of the defined benefit plan, and give the Authority the authority to contribute to the plan. The contribution requirements of the Authority are established by the Board of Trustees of PERF, and may be amended by this Board. Authority employees do not contribute to the defined benefit plan. The Authority is required to contribute at an actuarially determined rate; the current rate is 5.75 percent of annual covered payroll.

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Notes to Financial Statements-Continued

Annual Pension Cost and Net Pension Obligation (Asset) - The Authority's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	\$ 300,596
Interest on net pension obligation	(6,724)
Adjustment to annual required contribution	<u>7,741</u>
Annual pension cost	301,613
Contributions made	<u>(192,989)</u>
Increase (Decrease) in net pension obligation	108,624
Net pension obligation, beginning of year	<u>(96,064)</u>
Net pension obligation, end of year	<u>\$ 12,560</u>

The annual required contribution was determined as part of the July 1, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.0 percent investment rate of return (net of administrative and investment expenses); (b) projected salary increases per year are age-based rates ranging from 3.25 to 4.5 percent, based upon PERF experience from 2005 to 2010, and includes a 3.0 percent assumption attributable to the effects of inflation on salaries; and (c) 1.0 percent post-retirement benefit increases. The actuarial value of PERF assets was determined using techniques that smooth the effects of short-term volatility in the market value (with a 20 percent corridor) of investments over a four-year period. The Authority's excess of assets over actuarial accrued liability is being amortized by level percentage of projected payroll on a closed basis over a thirty-year period (15 years in the case of cost of living adjustments). The remaining amortization period at December 31, 2011, was 17 years.

Three Year Trend Information - Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. The negative amount for net pension obligation is an indication that the Authority's annual contribution has exceeded the annual pension costs.

<u>Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2009	\$ 187,286	88%	\$(140,876)
2010	222,356	80	(96,064)
2011	301,613	64	12,560

Funded Status and Funding Progress - As of July 1, 2011, the most recent actuarial valuation date, the plan was 56.6 percent funded. The actuarial accrued liability for benefits was \$3.5 million and the actuarial value of assets was \$2 million, resulting in an unfunded actuarial liability of \$1.5 million. The covered payroll (annual payroll of active employees covered by the plan) was \$3.4 million, and the ratio of the unfunded actuarial liability to covered payroll was 44.2 percent.

The schedule of funding progress presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Notes to Financial Statements-Continued

Defined Contribution

The Authority's defined contribution plan is the other component of the Authority's pension plan that is also administered by PERF. PERF accumulates employee contributions and allocates investment income into a separate system wide fund for all members. Upon retirement, employees may elect a lump sum distribution of all or part of the savings account. Employees who leave employment before qualifying for benefits under the defined benefit component receive a refund of this savings account.

Employees are required to contribute 3 percent of their annual salary to an annuity savings account. Since 1987, the Authority has been funding the employee contribution requirement. The contribution rate is established by the Indiana State Legislature, and may be amended only by this body. During 2011, the Authority contributed \$109,648 on behalf of the employees. This amount represents the employers' required contribution to the plan.

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description - The Authority administers a single-employer defined benefit retiree healthcare plan. The plan provides medical and dental benefits to eligible retirees and their spouses. Eligible employees must be at least 60 years of age with 10 years of continuous full time employment. Coverage ends at Medicare eligibility date. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy - The contribution requirements of plan members are established by the Authority Board and may be amended annually. Retiree contributions vary based upon the option they choose: Option 1 is a traditional paid provider plan and Option 2 is a high deductible paid provider plan. Under Option 1, each retiree contributes \$134 per month for the retiree and the same amount for the spouse. Under Option 2, each retiree contributes \$54 per month for the retiree and \$107 for the spouse. For the year ended December 31, 2011, four (number of participants currently eligible) retirees contributed \$6,820 and the Authority contributed \$27,037 to the plan.

Annual OPEB Cost and Net OPEB - The Authority's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Authority's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Authority's net OPEB obligation to the Plan.

Annual required contribution	\$ 89,375
Interest on net OPEB obligation	13,036
Adjustment to annual required contribution	<u>(18,122)</u>
Annual OPEB cost (expense)	84,289
Contributions made	<u>(27,037)</u>
Increase (Decrease) in net OPEB obligation	57,252
Net OPEB obligation, beginning of year	<u>325,892</u>
Net OPEB obligation, end of year	<u>\$ 383,144</u>

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Notes to Financial Statements-Continued

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the preceding two years were as follows:

<u>Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage Annual OPEB Contributed</u>	<u>Net OPEB Obligation</u>
2009	\$ 115,557	3.2%	\$ 213,837
2010	112,055	1.6	325,892
2011	57,252	32.1	383,144

Funding Status and Funding Progress - As of December 31, 2010, the most recent valuation date, the actuarial accrued liability for benefits was \$964,500, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$3.6 million, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 26.7 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2010 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 10 percent for medical care initially, reduced by decrements to an ultimate rate of 5 percent after 11 years. The trend rate for dental care remains at 5 percent. The trend rate is used as the true measure for inflated costs. Therefore no other general inflation assumptions have been made. The unfunded actuarial accrued liability is being amortized using the level dollar amortization method on a closed basis. The remaining amortization period at December 31, 2011 was 26 years.

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Notes to Financial Statements-Continued

NOTE 9 BONDS AND OTHER LONG-TERM DEBT

Bonds and Other Long-Term Debt consist of:

	<u>Amount</u>
<u>Revenue Bonds</u>	
Airport Improvement Refunding Bonds of 2004:	
Fort Wayne International Airport	
Building Corporation--	
Principal payable semi-annually on January 1, 2011	
to January 1, 2014 in payments ranging from	
\$1,055,000 in 2014 to \$2,045,000 in 2013.	
Interest at 3.5 to 5.0% due semi-annually on	
January 1 and July 1	
	\$ 5,015,000
Plus: Unamortized premium and deferred amount.	
	<u>41,074</u>
	<u>5,056,074</u>
First Mortgage Federally Taxable Refunding Bonds of 2011:	
Fort Wayne International Airport Air	
Trade Center Building Corporation	
Principal payable semi-annually on January 15, 2011	
to January 15, 2020 in payments ranging from	
\$975,000 in 2020 to \$1,875,000 in 2019.	
Interest at 1.68 to 5.54% due semi- annually	
on January 15 and July 15	
	13,935,000
Less: Unamortized deferred amount	
	<u>(156,654)</u>
	<u>13,778,346</u>
Total bonds	18,834,420
Less: Current portion.	<u>(3,342,553)</u>
	<u>\$15,491,867</u>

The Authority has a legal debt limit of \$84,499,720 which represents 2 percent of the adjusted value of Allen County property. Adjusted value is calculated by multiplying one-third times assessed value as certified by the State Department of Local Government Finance. Since the Authority has no general obligation debt outstanding, the legal debt margin of the Authority is also \$84,499,720 as of December 31, 2011.

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Notes to Financial Statements-Continued

Airport Improvement Refunding Bonds of 2004

The Fort Wayne International Airport Building Corporation (FWIABC) Airport Improvement Refunding Bonds of 2004 (the 2004 Bonds) are collateralized by the revenues and assets of the Trust, and rent and other payments made by the Authority under the lease between the FWIABC (Lessor) and the Authority (Lessee) described below.

FWIABC agreed to sell the 2004 Bonds in the original amount of \$15,475,000 to refund the 1993 and 1994 Airport Improvement Bonds (the 1993 and 1994 bonds). The Authority will make semi-annual lease-purchase payments, which approximate bond principal and interest payments. The lease payments by the authority will be made from operating revenues and, in the event such revenues are insufficient, from unlimited ad valorem taxes to be levied by the Authority on all taxable property within Allen County.

The previously issued and now refunded 1993 and 1994 Bonds were used to provide funds for constructing a loop access roadway, parking facilities and utilities located generally north of the terminal building; and for constructing, renovating, and equipping the terminal building. These facilities were completed in 1996.

FWIABC retains title to these facilities until the option to purchase is exercised or the lease term is ended. At such time, the facilities become the property of the Authority.

The 2004 Bonds are not subject to optional redemption prior to maturity.

First Mortgage Federally Taxable Refunding Bonds of 2011

The Fort Wayne International Airport Air Trade Center Building Corporation (FWIAATCBC) First Mortgage Federally Taxable Bonds of 2011 (the 2011 Bonds) are secured by semiannual lease rental payments to be paid by the Authority pursuant to the terms of the Master Lease agreement between the FWIAATCBC (Lessor) and the Authority (Lessee) described below.

FWIAATCBC agreed to sell the 2011 Bonds in the original amount of \$14,710,000 to refund the 1998 First Mortgage Bonds (the 1998 Bonds). The previously issued 1998 Bonds were used to construct and equip an air freight hub, aircraft maintenance facility, air cargo sorting facilities, parking, fueling and related facilities, and personal property connected with the above.

In 1998, the Authority entered into a Master Lease with FWIAATCBC. FWIAATCBC agreed to sell bonds to finance the construction of the project described above. In addition, the Authority agreed to sublet the project through a building lease with an unrelated air cargo company. Subsequently, on October 29, 2007, the air cargo company filed petitions for reorganization under the Chapter 11 Bankruptcy Code, and ceased operations at Fort Wayne International Airport. Since the provisions of the Master Lease agreement require the Authority to levy taxes on all taxable property within Allen County if revenues from the building lease are

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Notes to Financial Statements-Continued

insufficient, the Authority obtained approval from the Allen County Council during 2008 to levy a debt service tax on all taxable property within Allen County. However, this levy may be reduced by amounts on deposit in the Authority's lease rental reserve account that consists of net lease rentals received, if any, from future tenants of the facilities.

FWIAATCBC retains title to the facilities until the option to purchase is exercised or the lease term is ended. At such time, the facilities become the property of the Authority.

The First Mortgage Bonds are not subject to optional redemption prior to maturity, but some of the bonds are subject to mandatory sinking fund redemption.

Current Refunding

In a legal defeasance in 2011, the FWIAATCBC issued \$14,710,000 of First Mortgage Federally Taxable Refunding Bonds for a current refunding of its 1998 First Mortgage Bonds.

The current refunding resulted in a difference of \$194,633 between the reacquisition price and the net carrying amount of the old debt. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2020 using the effective interest method. Since the original bonds were tax exempt, this restricted the use of the facilities to aeronautical use only. To eliminate this restriction and allow non-aeronautical use of these facilities, the Authority refunded the bonds with a taxable bond issue. Although the primary purpose of the refunding was to eliminate the use restriction, the Authority also realized an economic gain (difference between the present values of the old and new debt service payments) of \$90,009.

Debt Defeasance

The Authority has no outstanding defeased debt.

Annual debt service requirements to maturity for revenue bonds are as follows as of December 31, 2011:

Debt Service Requirements

Years ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 3,350,000	\$ 782,603	\$ 4,132,603
2013	3,510,000	659,927	4,169,927
2014	3,565,000	519,337	3,084,337
2015	1,565,000	441,101	2,006,101
2016	1,630,000	376,895	2,006,895
2017-2020	6,330,000	689,197	7,019,197
	<u>18,950,000</u>	<u>3,469,060</u>	<u>22,419,060</u>
Minus: Unamortized discount, premium and deferred amount.	<u>(115,580)</u>	<u>---</u>	<u>(115,580)</u>
	<u>\$18,834,420</u>	<u>\$ 3,469,060</u>	<u>\$22,303,480</u>

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Notes to Financial Statements-Continued

Changes in Bonds and Long-Term Liabilities

Bonds and long-term liability activity for the year ended December 31, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Long-term liabilities:					
Compensated absences.	\$ 1,245,374	\$ 254,252	\$ (336,908)	\$1,162,718	\$ 210,297
Bonds and other long-term debt:					
Revenue bonds	21,925,000	14,710,000	(17,685,000)	18,950,000	3,350,000
Plus or minus deferred amounts:					
Premiums	101,989	---	(50,304)	51,685	34,071
Discounts	(90,296)	---	90,296	---	---
On refunding	(21,717)	(194,633)	49,085	(167,265)	(41,518)
Total bonds and other long-term debt . . .	<u>21,914,976</u>	<u>14,515,367</u>	<u>(17,595,923)</u>	<u>18,834,420</u>	<u>3,342,553</u>
Total bonds and long-term liabilities . .	<u>\$23,160,350</u>	<u>\$ 14,769,619</u>	<u>\$ (17,932,831)</u>	<u>\$19,997,138</u>	<u>\$ 3,552,850</u>

NOTE 10 COMMITMENTS AND CONTINGENCIES

Capital Improvements - At December 31, 2011, the Authority was obligated for completion of airfield infrastructure, a master plan study, land compatibility use, land purchases, and various smaller projects under commitments aggregating \$2,814,790 with an estimated \$1,344,250 eligible for reimbursements ranging from 92.5 to 96.25 percent from the FAA and State of Indiana.

Rebatable Arbitrage - Based upon calculations through December 31, 2011, there are no rebatable arbitrage liabilities.

Concentration of Credit Risk - The Authority leases facilities to the airlines under certain leases and/or use agreements and to other businesses under agreements to operate concessions at the Airport. Accounts receivable and unbilled revenue balances relate primarily to these activities. Amounts due from passenger airlines represent approximately 11.6 percent of the accounts receivable balances as of December 31, 2011.

Litigation - The nature of the business of the Authority generates certain litigation against the Authority arising in the ordinary course of business. However, the Authority believes the ultimate outcome of these matters in the aggregate should not have a materially adverse effect on its financial position or results of operations.

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Notes to Financial Statements-Continued

NOTE 11 RENTAL INCOME UNDER OPERATING LEASES

A significant portion of the operating revenue of the Authority is generated through the leasing of airport and building space to airlines and others on a fixed fee as well as a contingent rental basis. Ownership risks are retained by the Authority and, accordingly, such leases are treated as operating leases.

The following is a schedule of minimum future rentals on non-cancelable operating leases to be received in each of the next five years and thereafter:

Years ending December 31:	
2012	\$2,287,746
2013	1,472,180
2014	698,171
2015	599,055
2016	378,215
Later Years	<u>1,266,519</u>
Total	<u>\$6,701,886</u>

The schedule above includes changes in rental rates that became effective on January 1, 2012. These rates are adjusted annually.

Contingent rentals and fees aggregated \$5,045,279 for the year ended December 31, 2011.

Substantially all the assets classified under capital assets in the statement of net assets are held by the Authority for the purpose of rental or related use.

NOTE 12 MAJOR CUSTOMERS

During the year ended December 31, 2011, the Authority received significant operating revenue from one airline. Rentals, landing fees, apron fees and other revenues from this airline aggregated approximately 14.3 percent of operating revenues.

**REQUIRED SUPPLEMENTARY
INFORMATION (UNAUDITED)**

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Required Supplementary Information
Schedule of Funding Progress

Employees Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability(AAL) Entry Age (2)	Excess Assets (Unfunded AAL) (1 - 2)	Funded Ratio (1 / 2)	Covered Payroll (3)	Excess Assets (Unfunded AAL) as a Percentage of Covered Payroll ((1 - 2)/3)
7/1/02	\$1,978,599	\$1,563,222	\$ 415,377	126.6%	\$2,856,043	14.54 %
7/1/03	1,996,738	1,448,753	547,985	137.8	2,851,475	19.22
7/1/04	2,101,867	1,508,381	593,486	139.3	2,910,443	20.39
7/1/05	2,193,053	1,943,705	249,348	112.8	2,981,697	8.36
7/1/06	2,603,064	2,028,014	575,050	128.4	3,049,154	18.86
7/1/07	2,932,891	2,430,873	502,018	120.7	3,294,131	15.24
7/1/08	3,248,909	2,966,134	282,775	109.5	3,535,802	8.00
7/1/09	3,159,739	3,172,161	(12,422)	100.0	3,642,394	(0.34)
7/1/10	2,475,767	3,506,990	(1,031,223)	70.6	3,389,644	(30.42)
7/1/11	1,981,528	3,504,141	(1,522,613)	56.5	3,442,666	(44.23)

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Required Supplementary Information
Schedule of Funding Progress

Retiree Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) Projected Unit Credit (2)	Unfunded AAL (1 - 2)	Funded Ratio (1 / 2)	Covered Payroll (3)	Unfunded AAL as a Percentage of Covered Payroll ((1 - 2)/3)
12/31/07 (A)	\$ 0	\$ 798,194	\$798,194	0.0%	\$3,326,274	24.0%
12/31/08	0	880,772	880,772	0.0	3,375,564	26.1
12/31/09	0	978,354	978,354	0.0	3,652,914	26.8
12/31/10	0	964,500	964,500	0.0	3,608,928	26.7
12/31/11 (B)	0	N/A	N/A	N/A	3,654,941	N/A

Note A: The Authority implemented GASB 45 during 2008. Actuarial information prior to 2007 is not available.

Note B: No actuarial valuation was completed on December 31, 2011. The most recent valuation was completed on December 31, 2010.

This Page Intentionally Left Blank



**FORT WAYNE-ALLEN COUNTY
AIRPORT AUTHORITY**

FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT

ENTERPRISE FUND COMBINING SCHEDULES

Enterprise funds are used to account for operations financed and operated in a manner similar to private business enterprises. The Board intends that costs (i.e., expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The Fort Wayne-Allen County Airport Authority (Authority) - This fund is used to account for the activities of the Authority.

The Fort Wayne International Airport Building Corporation (FWIABC) - This blended component unit was created to finance the construction of the Authority's Terminal Building Modernization, and Local Access Roads and Parking Facilities projects. Capital lease balances and transactions between the Authority and the FWIABC have been eliminated.

The Fort Wayne International Airport Air Trade Center Building Corporation (FWIAATCBC) - This blended component unit was created to finance the construction of an air freight hub, aircraft maintenance facilities, air cargo sorting facilities, parking, fueling and related facilities within the Authority's Air Trade Center. Capital lease balances and transactions between the Authority and the FWIAATCBC have been eliminated.

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
ENTERPRISE FUND
Combining Schedule of Net Assets
December 31, 2011

	<u>Authority</u>	<u>FWIABC</u>	<u>FWIAATCBC</u>	<u>Totals</u>
CURRENT ASSETS:				
Unrestricted assets:				
Cash and cash equivalents.....	\$ 6,192,079	\$ -	\$ -	\$ 6,192,079
Investments.....	11,500,000	-	-	11,500,000
Accounts receivable, net of allowance.....	56,773	-	-	56,773
Unbilled revenue.....	372,993	-	-	372,993
Property tax receivable, net of allowance.....	53,567	-	-	53,567
Other receivables.....	31,987	-	-	31,987
Inventory.....	252,561	-	-	252,561
Prepaid items.....	297,895	-	-	297,895
Total unrestricted assets.....	<u>18,757,855</u>	<u>-</u>	<u>-</u>	<u>18,757,855</u>
Restricted assets:				
Cash and cash equivalents.....	2,989,199	-	-	2,989,199
Investments.....	500,000	-	-	500,000
Passenger facility charge receivable.....	138,488	-	-	138,488
Federal and state grants receivable.....	974,671	-	-	974,671
Property tax receivable, net of allowance.....	26,783	-	-	26,783
Other receivables.....	23,904	-	-	23,904
Total restricted assets.....	<u>4,653,045</u>	<u>-</u>	<u>-</u>	<u>4,653,045</u>
Total current assets.....	<u>23,410,900</u>	<u>-</u>	<u>-</u>	<u>23,410,900</u>
NONCURRENT ASSETS:				
Restricted assets:				
Cash and cash equivalents.....	110,520	8,342	7,239	126,101
Investments.....	5,000,000	-	-	5,000,000
Property tax receivable, net of allowance.....	6,405	-	-	6,405
Total restricted assets.....	<u>5,116,925</u>	<u>8,342</u>	<u>7,239</u>	<u>5,132,506</u>
Capital assets, net.....	<u>99,287,482</u>	<u>-</u>	<u>-</u>	<u>99,287,482</u>
Other assets:				
Bond issue costs, less accumulated amortization of \$704,743....	172,560	-	-	172,560
Total noncurrent assets.....	<u>104,576,967</u>	<u>8,342</u>	<u>7,239</u>	<u>104,592,548</u>
Total assets.....	<u>\$ 127,987,867</u>	<u>\$ 8,342</u>	<u>\$ 7,239</u>	<u>\$ 128,003,448</u>

	<u>Authority</u>	<u>FWIABC</u>	<u>FWIAATCBC</u>	<u>Totals</u>
CURRENT LIABILITIES:				
Payable from unrestricted:				
Accounts payable.....	\$ 1,684,703	\$ -	\$ -	\$ 1,684,703
Accrued liabilities.....	406,009	-	-	406,009
 Total unrestricted.....	 2,090,712	 -	 -	 2,090,712
Payable from restricted:				
Accounts payable.....	91,059	-	-	91,059
Current portion of long-term debt.....	3,342,553	-	-	3,342,553
Accrued interest on long-term debt.....	405,617	-	-	405,617
 Total restricted.....	 3,839,229	 -	 -	 3,839,229
 Total current liabilities.....	 5,929,941	 -	 -	 5,929,941
 NONCURRENT LIABILITIES:				
Net other postemployment benefits obligation.....	383,144	-	-	383,144
Net pension obligation.....	12,560	-	-	12,560
Accrued compensated absences.....	952,421	-	-	952,421
Bonds and other long-term debt, net.....	15,491,867	-	-	15,491,867
 Total noncurrent liabilities.....	 16,839,992	 -	 -	 16,839,992
 Total liabilities.....	 22,769,933	 -	 -	 22,769,933
 NET ASSETS:				
Invested in capital assets, net of related debt.....	80,453,062	-	-	80,453,062
Restricted for:				
Debt service.....	2,391,249	8,342	7,239	2,406,830
Capital projects.....	6,882,045	-	-	6,882,045
Unrestricted.....	15,491,578	-	-	15,491,578
 Total net assets.....	 105,217,934	 8,342	 7,239	 105,233,515
 Total liabilities and net assets.....	 <u>\$ 127,987,867</u>	 <u>\$ 8,342</u>	 <u>\$ 7,239</u>	 <u>\$ 128,003,448</u>

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
ENTERPRISE FUND
Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended December 31, 2011

	Authority	FWIABC	FWIAATCBC	Totals
OPERATING REVENUES:				
Airfield.....	\$ 1,461,088	\$ -	\$ -	\$ 1,461,088
Buildings and grounds.....	1,344,037	-	-	1,344,037
Terminal.....	3,065,071	-	-	3,065,071
Parking.....	2,625,381	-	-	2,625,381
Reliever airport.....	443,839	-	-	443,839
Total operating revenues.....	<u>8,939,416</u>	<u>-</u>	<u>-</u>	<u>8,939,416</u>
OPERATING EXPENSES:				
Airfield.....	2,921,657	-	-	2,921,657
Buildings and grounds.....	1,013,593	-	-	1,013,593
Terminal.....	1,605,688	-	-	1,605,688
Parking.....	1,023,453	-	-	1,023,453
Reliever airport.....	522,721	-	-	522,721
Administration.....	2,250,323	-	396,435	2,646,758
Depreciation.....	7,852,015	-	-	7,852,015
Total operating expenses.....	<u>17,189,450</u>	<u>-</u>	<u>396,435</u>	<u>17,585,885</u>
LOSS FROM OPERATIONS.....	<u>(8,250,034)</u>	<u>-</u>	<u>(396,435)</u>	<u>(8,646,469)</u>
NONOPERATING REVENUES (EXPENSES):				
Property and other taxes.....	6,310,443	-	-	6,310,443
Federal operating grant.....	312,639	-	-	312,639
Passenger facility charge.....	1,099,255	-	-	1,099,255
Interest income.....	101,377	8	683	102,068
Interest expense.....	(263,776)	-	(619,874)	(883,650)
Gain on disposal of capital assets.....	235,461	-	-	235,461
Net nonoperating revenues (expenses).....	<u>7,795,399</u>	<u>8</u>	<u>(619,191)</u>	<u>7,176,216</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(454,635)	8	(1,015,626)	(1,470,253)
CAPITAL CONTRIBUTIONS:				
Federal and state grants.....	1,962,373	-	-	1,962,373
INCREASE (DECREASE) IN NET ASSETS.....	1,507,738	8	(1,015,626)	492,120
NET ASSETS:				
Total net assets, beginning of year.....	<u>103,710,196</u>	<u>8,334</u>	<u>1,022,865</u>	<u>104,741,395</u>
Total net assets, end of year.....	<u>\$ 105,217,934</u>	<u>\$ 8,342</u>	<u>\$ 7,239</u>	<u>\$ 105,233,515</u>

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
ENTERPRISE FUND
Combining Schedule of Cash Flows
For the Year Ended December 31, 2011

	<u>Authority</u>	<u>FWIABC</u>	<u>FWIAATCBC</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers.....	\$ 9,150,386	\$ -	\$ -	\$ 9,150,386
Payments to suppliers.....	(3,851,966)	-	(396,435)	(4,248,401)
Payments to employees.....	(4,032,621)	-	-	(4,032,621)
Payments of benefits on behalf of employees.....	(1,495,440)	-	-	(1,495,440)
Return of customer deposits.....	(6,730)	-	-	(6,730)
Net cash used in operating activities.....	<u>(236,371)</u>	<u>-</u>	<u>(396,435)</u>	<u>(632,806)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITY:				
Receipts of property and other taxes.....	4,123,826	-	-	4,123,826
Operating grant receipts.....	200,746	-	-	200,746
Net cash provided by noncapital financing activities.....	<u>4,324,572</u>	<u>-</u>	<u>-</u>	<u>4,324,572</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Receipts of property and other taxes	2,173,021	-	-	2,173,021
Acquisition and construction of capital assets.....	(3,260,055)	-	-	(3,260,055)
Sale of capital assets.....	930,526	-	-	930,526
Proceeds from sale of bonds.....	14,710,000	-	-	14,710,000
Principal paid to refund bonds.....	(14,450,000)	-	-	(14,450,000)
Bond issuance costs paid.....	(187,356)	-	-	(187,356)
Principal paid on bonds and other long-term debt.....	(3,235,000)	-	-	(3,235,000)
Interest paid on bonds and other long-term debt.....	(407,558)	-	(620,701)	(1,028,259)
Capital grant receipts.....	3,771,929	-	-	3,771,929
Passenger facility charge receipts.....	1,108,724	-	-	1,108,724
Net cash provided by (used in) capital and related financing activities.....	<u>1,154,231</u>	<u>-</u>	<u>(620,701)</u>	<u>533,530</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investment securities.....	(21,000,000)	-	-	(21,000,000)
Proceeds from sale and maturities of investment securities.....	17,950,000	-	-	17,950,000
Interest received on investments.....	131,725	8	1,635	133,368
Net cash provided by (used in) investing activities.....	<u>(2,918,275)</u>	<u>8</u>	<u>1,635</u>	<u>(2,916,632)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.	2,324,157	8	(1,015,501)	1,308,664
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	<u>6,967,641</u>	<u>8,334</u>	<u>1,022,740</u>	<u>7,998,715</u>
CASH AND CASH EQUIVALENTS, END OF YEAR.....	<u>\$ 9,291,798</u>	<u>\$ 8,342</u>	<u>\$ 7,239</u>	<u>\$ 9,307,379</u>

continued

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
ENTERPRISE FUND
Combining Schedule of Cash Flows-Continued
For the Year Ended December 31, 2011

	<u>Authority</u>	<u>FWIABC</u>	<u>FWIAATCBC</u>	<u>Totals</u>
Reconciliation of operating loss to net cash used in operating activities:				
Loss from operations.....	\$ (8,250,034)	\$ -	\$ (396,435)	\$ (8,646,469)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation.....	7,852,015	-	-	7,852,015
Amortization of bond issuance cost.....	57,705	-	-	57,705
Change in assets and liabilities:				
Accounts receivable and unbilled revenue.....	(148,015)	-	-	(148,015)
Inventory.....	(22,862)	-	-	(22,862)
Net pension obligation.....	108,624	-	-	108,624
Prepaid items.....	(137,223)	-	-	(137,223)
Accounts payable.....	325,379	-	-	325,379
Accrued liabilities.....	(21,960)	-	-	(21,960)
Net cash used in operating activities.....	<u>\$ (236,371)</u>	<u>\$ -</u>	<u>\$ (396,435)</u>	<u>\$ (632,806)</u>

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:

CAPITAL AND RELATED FINANCING ACTIVITIES:

Capital contributions from federal and state grants.....	\$ 1,809,556	\$ -	\$ -	\$ 1,809,556
Capital assets included in accounts payable.....	986,786	-	-	986,786

**OTHER SUPPLEMENTARY
INFORMATION**

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

**Schedule of Debt Service Requirements to Maturity
December 31, 2011**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012.....	\$ 3,350,000	\$ 782,603	\$ 4,132,603
2013.....	3,510,000	659,927	4,169,927
2014.....	2,565,000	519,337	3,084,337
2015.....	1,565,000	441,101	2,006,101
2016.....	1,630,000	376,895	2,006,895
2017.....	1,700,000	305,364	2,005,364
2018.....	1,780,000	224,488	2,004,488
2019.....	1,875,000	132,267	2,007,267
2020.....	975,000	27,078	1,002,078
Totals.....	<u>\$ 18,950,000 (1)</u>	<u>\$ 3,469,060</u>	<u>\$ 22,419,060</u>

(1) Excludes unamortized premium and deferred amount of (\$115,180).

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

**Schedule of Capital Assets and Accumulated Depreciation
For the Year Ended December 31, 2011**

Capital Assets (1)

<u>Category</u>	<u>Balance at 01/01/11</u>	<u>Additions</u>	<u>Deletions (2)</u>	<u>Balance at 12/31/11</u>
Land.....	\$ 16,611,036	\$ 57,888	\$ 677,531	\$ 15,991,393
Avigation easements.....	118,357			118,357
Runways and taxiways.....	107,522,918	24,543		107,547,461
Buildings.....	71,669,399	634,872	97,226	72,207,045
Roads and parking.....	24,132,932	182,071	7,682	24,307,321
Snow equipment.....	3,853,531		3,000	3,850,531
Vehicles.....	2,582,586	42,330		2,624,916
Other equipment.....	2,064,050	333,039	14,794	2,382,295
Software and data base.....	258,653	124,549		383,202
Master plans.....	1,627,609			1,627,609
Work in progress.....	1,157,964	2,837,531	461,005	3,534,490
Total capital assets.....	\$ 231,599,035	\$ 4,236,823	\$ 1,261,238	\$ 234,574,620

Accumulated Depreciation

<u>Category</u>	<u>Balance at 01/01/11</u>	<u>Additions</u>	<u>Deletions (2)</u>	<u>Balance at 12/31/11</u>
Runways and taxiways.....	\$ 75,513,389	\$ 3,388,308		\$ 78,901,697
Buildings.....	37,058,513	2,798,880	79,692	39,777,701
Roads and parking.....	8,575,327	1,036,109	7,682	9,603,754
Snow equipment.....	2,038,217	222,382	3,000	2,257,599
Vehicles.....	1,309,069	153,676		1,462,745
Other equipment.....	1,587,896	128,172	14,793	1,701,275
Software and data base.....	182,309	33,310		215,619
Master plans.....	1,275,570	91,178		1,366,748
Total depreciation.....	\$ 127,540,290	\$ 7,852,015	\$ 105,167	\$ 135,287,138

(1) Capital assets are carried at historical cost except for assets assumed by the Authority at July 1, 1985, that are carried at historical cost, net of accumulated depreciation. Assets are depreciated or amortized using the straight-line method over their useful lives.

(2) Deletions consist of disposals and assets traded in that were no longer in service.

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

**Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2011**

Major Revenue Categories	2011 Actual			2011 Budget As Adjusted	Variance Over (Under)
	GAAP Basis	GAAP Adjustments	Cash Basis (1)		
Airfield use fees.....	\$ 1,646,428	\$ (14,814)	\$ 1,631,614	\$ 1,619,268	\$ 12,346
Building rent and services.....	3,214,911	89,201	3,304,112	3,144,227	159,885
Land rent.....	366,982	(14,426)	352,556	391,199	(38,643)
Parking.....	2,614,138	-	2,614,138	2,766,000	(151,862)
Auto rental.....	913,857	10,223	924,080	714,000	210,080
Restaurant.....	111,624	184	111,808	96,000	15,808
Other income.....	306,938	(18,970)	287,968	151,505	136,463
Interest income.....	102,068	30,483	132,551	155,063	(22,512)
Property and other taxes.....	6,310,443	(13,596)	6,296,847	6,711,805	(414,958)
Passenger facility charges.....	1,099,255	9,470	1,108,725	1,043,064	65,661
Federal grants - operating.....	312,638	(133,653)	178,985	130,000	48,985
Total revenues.....	16,999,282	(55,898)	16,943,384	16,922,131	21,253
Capital contributions:					
Federal grants.....	1,947,508	1,729,070	3,676,578	2,513,700	1,162,878
State grants.....	14,865	80,486	95,351	33,075	62,276
Total capital contributions.....	1,962,373	1,809,556	3,771,929	2,546,775	1,225,154
Total.....	\$ 18,961,655	\$ 1,753,658	\$ 20,715,313	\$ 19,468,906	\$ 1,246,407

(1) Indiana state statutes require budgetary compliance accounting on a cash basis.

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

**Schedule of Expenses-Budget and Actual
For the Year Ended December 31, 2011**

Major Expense Categories	2011 Actual					2011 Budget	Variance Over (Under)(2)
	GAAP Basis	GAAP Adjustments	Cash Basis (1)	Open Purchase Orders	2011 Actual		
PERSONAL SERVICES:							
Salaries and wages.....	\$ 3,901,809	\$ 78,342	\$ 3,980,151	\$ -	\$ 3,980,151	\$ 4,321,202	\$ (341,051)
Employee benefits.....	1,710,328	(162,418)	1,547,910	5,567	1,553,477	1,775,324	(221,847)
Total personal services.....	5,612,137	(84,076)	5,528,061	5,567	5,533,628	6,096,526	(562,898)
SUPPLIES.....	1,022,854	(19,485)	1,003,369	44,290	1,047,659	1,217,056	(169,397)
CONTRACTUAL SERVICES:							
Professional services.....	590,450	(136)	590,314	16,165	606,479	688,688	(82,209)
Utilities.....	653,524	16,969	670,493	5,569	676,062	815,358	(139,296)
Contracted repairs.....	157,457	121,223	278,680	27,588	306,268	365,571	(59,303)
Debt service payments.....	883,650	3,274,506	4,158,156	-	4,158,156	4,168,238	(10,082)
Other contracted services.....	1,697,448	(34,503)	1,662,945	233,109	1,896,054	2,489,605	(593,551)
Total contractual services....	3,982,529	3,378,059	7,360,588	282,431	7,643,019	8,527,460	(884,441)
CAPITAL EXPENDITURES	-	2,901,490	2,901,490	2,962,137	5,863,627	8,429,521	(2,565,894)
DEPRECIATION EXPENSE	7,852,015	(7,852,015)	-	-	-	-	-
Totals.....	\$ 18,469,535	\$ (1,676,027)	\$ 16,793,508	\$ 3,294,425	\$ 20,087,933	\$ 24,270,563	\$ (4,182,630)

(1) State of Indiana budgetary compliance requires cash expenditures plus purchase commitments not to exceed annual appropriations.

(2) Balance equals funds not committed by the Authority.

This Page Intentionally Left Blank



**FORT WAYNE-ALLEN COUNTY
AIRPORT AUTHORITY**

FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT

STATISTICAL SECTION

This part of the Authority's Comprehensive Annual Financial Report represents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends Data These schedules contain trend information to help the reader understand how the Authority's financial position has changed over time.	64
Revenue Capacity These schedules contain information to help the reader assess the Authority's ability to generate its most significant revenues.	68
Debt Capacity These schedules present information to help the reader assess the Authority's current debt level and its ability to issue additional debt in the future.	76
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.	80
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.	82

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

This Page Intentionally Left Blank



**FORT WAYNE-ALLEN COUNTY
AIRPORT AUTHORITY**

FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

**Annual Revenues, Expenses and Changes in Fund Net Assets
Last Ten Fiscal Years
(Accrual Basis)**

Revenues:	2011	2010	2009	2008
Airfield.....	\$ 1,461,088	\$ 1,361,743	\$ 1,429,261	\$ 1,300,430
Buildings and grounds.....	1,344,037	1,051,735	1,344,797	1,074,401
Terminal.....	3,065,071	3,096,831	3,219,115	2,974,312
Parking.....	2,625,381	2,620,565	2,460,847	2,234,673
Reliever airport.....	443,839	420,083	402,031	472,174
	<hr/>	<hr/>	<hr/>	<hr/>
	8,939,416	8,550,957	8,856,051	8,055,990
Interest	102,068	162,487	344,026	586,039
Property and other taxes.....	6,310,443	6,783,287	7,477,987	4,472,751
Federal operating grant.....	312,639	131,891	130,869	133,531
Passenger facility charge.....	1,099,255	1,102,936	1,031,684	1,114,786
Gain (Loss) on disposal of capital assets.....	235,461	(409,452)	-	41,302
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues.....	16,999,282	16,322,106	17,840,617	14,404,399
	<hr/>	<hr/>	<hr/>	<hr/>
Expenses:				
Salaries.....	3,901,809	3,859,845	4,040,982	4,032,946
Benefits.....	1,710,328	1,529,207	1,659,885	1,683,232
Utilities.....	653,524	626,467	634,279	713,684
Supplies and other services.....	3,468,209	3,115,866	3,106,021	3,192,897
Depreciation.....	7,852,015	8,440,999	8,316,488	8,212,367
	<hr/>	<hr/>	<hr/>	<hr/>
Total operating expenses.....	17,585,885	17,572,384	17,757,655	17,835,126
Interest.....	883,650	1,103,069	1,234,672	1,358,583
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses.....	18,469,535	18,675,453	18,992,327	19,193,709
	<hr/>	<hr/>	<hr/>	<hr/>
Capital contributions.....	1,962,373	6,461,612	6,333,715	2,747,422
	<hr/>	<hr/>	<hr/>	<hr/>
Increase (Decrease) in net assets.....	\$ 492,120	\$ 4,108,265	\$ 5,182,005	\$ (2,041,888)
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets at year end composed of:				
Invested in capital assets, net of related debt..	\$ 80,453,062	\$ 82,143,769	\$ 79,747,527	\$ 77,203,394
Restricted.....	9,288,875	12,260,528	10,956,010	8,526,620
Unrestricted.....	15,491,578	10,380,330	9,929,593	9,721,111
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets.....	\$ 105,233,515	\$ 104,784,627	\$ 100,633,130	\$ 95,451,125
	<hr/>	<hr/>	<hr/>	<hr/>

Source: Authority's audited financial statements.

2007	2006	2005	2004	2003	2002
\$ 1,987,586	\$ 2,516,471	\$ 2,355,553	\$ 2,372,285	\$ 2,322,102	\$ 2,358,826
2,751,377	3,158,585	3,194,286	3,217,660	3,115,449	3,081,669
3,003,368	3,009,862	3,067,835	3,096,247	3,161,047	3,116,932
2,063,274	1,912,344	1,947,262	1,992,504	1,682,480	1,592,208
3,450	10,188	10,166	10,355	22,043	42,130
9,809,055	10,607,450	10,575,102	10,689,051	10,303,121	10,191,765
708,481	875,498	653,412	347,459	401,133	651,582
4,438,807	4,307,566	4,069,893	4,221,616	3,768,107	3,698,807
32,976	-	-	332,513	65,487	203,903
1,136,120	1,059,924	812,956	887,160	794,951	768,351
21,617	64,985	184,937	-	1,257	12,934
16,147,056	16,915,423	16,296,300	16,477,799	15,334,056	15,527,342
3,689,607	3,263,059	3,103,932	3,053,622	3,029,513	3,153,805
1,457,312	1,366,665	1,261,433	1,025,317	947,868	994,007
548,287	499,924	474,522	438,094	430,869	378,929
3,261,589	2,780,524	3,486,298	3,827,577	2,921,292	2,526,089
8,510,935	8,064,551	7,764,453	7,787,031	7,531,646	7,821,960
17,467,730	15,974,723	16,090,638	16,131,641	14,861,188	14,874,790
1,447,799	1,655,703	1,740,318	2,256,248	2,404,165	2,572,497
18,915,529	17,630,426	17,830,956	18,387,889	17,265,353	17,447,287
573,692	7,999,576	5,098,268	3,350,896	2,839,984	1,967,232
\$ (2,194,781)	\$ 7,284,573	\$ 3,563,612	\$ 1,440,806	\$ 908,687	\$ 47,287
\$ 78,495,625	\$ 80,087,834	\$ 71,421,904	\$ 66,434,837	\$ 64,761,424	\$ 63,484,036
6,950,303	12,174,175	6,858,838	5,955,696	6,653,265	4,318,564
12,047,085	7,425,785	14,122,479	16,449,076	15,984,114	18,687,516
\$ 97,493,013	\$ 99,687,794	\$ 92,403,221	\$ 88,839,609	\$ 87,398,803	\$ 86,490,116

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

**Principal Revenue Sources, Cost per Enplaned Passenger and Airline Rates and Charges
Last Ten Fiscal Years**

	2011	2010	2009	2008
<u>Operating Revenues:</u>				
Airfield.....	\$ 87,860	\$ 85,097	\$ 80,212	\$ 105,077
Passenger airline service charge revenues:				
Landing fees.....	838,598	771,177	777,156	742,078
Jetway rental.....	-	60,060	61,140	68,410
Apron fees.....	117,899	93,771	98,110	79,058
Terminal rent.....	1,617,504	1,695,299	1,742,964	1,496,500
Boarding security.....	193,652	199,381	186,484	156,490
PA system.....	-	1,152	1,216	1,504
Air Trade Center cargo airline service charge revenues:				
Landing fees.....	-	-	84,106	-
Apron fees.....	-	-	-	-
Building rent.....	165,282	-	214,364	85,000
Ground rent.....	163,910	-	-	-
Landing fees-other cargo.....	416,731	413,725	389,676	374,216
Building and grounds.....	739,119	774,349	849,470	829,016
Terminal.....	236,029	236,144	233,305	244,209
Car rental.....	913,857	797,778	890,941	896,925
Restaurant.....	111,624	97,557	87,323	110,274
Parking.....	2,625,381	2,609,642	2,460,847	2,234,673
Farming.....	268,131	297,769	296,706	160,386
Reliever airport.....	443,839	420,083	402,031	472,174
Total operating revenues.....	8,939,416	8,552,984	8,856,051	8,055,990
<u>Non-operating revenues:</u>				
Interest income.....	102,068	162,487	344,026	586,039
Property and other taxes.....	6,310,443	6,783,287	7,477,987	4,472,751
FAA operating grant.....	312,639	131,891	130,869	133,531
Passenger facility charge.....	1,099,255	1,102,936	1,031,684	1,114,786
Gain on disposal of fixed assets.....	235,461	-	-	41,302
Total non-operating revenues.....	8,059,866	8,180,601	8,984,566	6,348,409
Total revenues.....	<u>\$ 16,999,282</u>	<u>\$ 16,733,585</u>	<u>\$ 17,840,617</u>	<u>\$ 14,404,399</u>
Enplaned passengers.....	<u>277,938</u>	<u>277,101</u>	<u>266,176</u>	<u>287,343</u>
Passenger airline cost per enplaned passenger.....	<u>\$ 9.96</u>	<u>\$ 10.18</u>	<u>\$ 10.77</u>	<u>\$ 8.85</u>
<u>Signatory airlines rates and charges (1):</u>				
Landing fee (per 1,000 lbs. of max. gross landed weight).....	\$ 2.44	\$ 2.40	\$ 2.30	\$ 2.06
Apron fee (per 1,000 lbs of max. gross landed weight).....	0.34	0.29	0.29	0.22
Annual terminal rental rate (per square foot).....	34.80	36.61	38.44	35.77
<u>Revenue Funding Ratios:</u>				
Parking revenue/commissions per enplaned passenger (2)....	\$ 9.45	\$ 9.42	\$ 9.25	\$ 7.78
Car rental commissions per enplaned passenger.....	3.29	2.88	3.35	3.12
Restaurant commissions per enplaned passenger.....	0.40	0.35	0.33	0.38

Notes: (1) Rates and charges are calculated based upon the Airport Use and Lease Agreement.

(2) The Authority changed from a concessions agreement to a management agreement for its parking lot operations on October 1, 2008.

Source: Authority's audited financial statements, and rates and charges reports.

2007	2006	2005	2004	2003	2002
\$ 150,318	\$ 114,741	\$ 125,048	\$ 127,092	\$ 136,379	\$ 139,192
708,285	708,779	810,523	772,745	771,740	843,067
74,700	86,770	67,900	61,050	52,930	58,200
99,430	98,459	127,494	119,553	115,597	116,161
1,575,750	1,542,946	1,710,820	1,608,441	1,720,773	1,703,037
155,153	169,006	164,476	155,193	108,032	71,542
1,536	1,536	1,504	2,080	1,920	1,824
546,868	1,041,899	905,647	1,003,269	949,837	978,700
43,970	52,765	56,856	54,411	57,565	39,757
1,527,754	2,025,300	2,025,300	2,025,300	2,025,300	2,025,300
201,957	214,734	208,424	203,338	199,205	195,425
438,715	499,828	329,985	295,215	290,984	241,949
862,507	763,330	807,303	858,527	769,302	737,916
251,575	292,350	230,078	150,258	226,762	270,800
833,162	814,862	782,533	1,002,472	957,022	925,403
111,493	102,392	110,524	116,753	93,608	86,126
2,063,274	1,912,344	1,947,262	1,992,504	1,682,480	1,592,208
159,158	155,221	153,259	130,495	121,642	123,028
3,450	10,188	10,166	10,355	22,043	42,130
9,809,055	10,607,450	10,575,102	10,689,051	10,303,121	10,191,765
708,481	875,498	653,412	347,459	401,133	651,582
4,438,807	4,307,566	4,069,893	4,221,616	3,768,107	3,698,807
32,976	-	-	332,513	65,487	203,903
1,136,120	1,059,924	812,956	887,160	794,951	768,351
21,617	64,985	184,937	-	1,257	12,934
6,338,001	6,307,973	5,721,198	5,788,748	5,030,935	5,335,577
<u>\$ 16,147,056</u>	<u>\$ 16,915,423</u>	<u>\$ 16,296,300</u>	<u>\$ 16,477,799</u>	<u>\$ 15,334,056</u>	<u>\$ 15,527,342</u>
<u>298,639</u>	<u>274,889</u>	<u>316,339</u>	<u>338,681</u>	<u>306,077</u>	<u>301,044</u>
<u>\$ 8.76</u>	<u>\$ 9.49</u>	<u>\$ 9.11</u>	<u>\$ 8.03</u>	<u>\$ 9.05</u>	<u>\$ 9.28</u>
\$ 1.86	\$ 1.83	\$ 1.77	\$ 1.63	\$ 1.68	\$ 1.68
0.26	0.25	0.28	0.25	0.25	0.23
36.27	32.24	32.70	32.26	31.82	32.32
\$ 6.91	\$ 6.96	\$ 6.16	\$ 5.88	\$ 5.50	\$ 5.29
2.79	2.96	2.47	2.96	3.13	3.07
0.37	0.37	0.35	0.34	0.31	0.29

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

**Allen County
Principal Taxpayers
Current Year and Nine Years Ago**

Principal Taxpayers - Name	2011			2002		
	Taxable Assessed Valuation (1)	Rank	Percent of Total Taxable Assessed Valuation	Taxable Assessed Valuation (2)	Rank	Percent of Total Taxable Assessed Valuation
General Motors Corp.....	\$ 222,923,070	1	1.8 %	271,277,980	1	2.7 %
GGP-Glenbrook-LLC.....	200,000,900	2	1.6			
Verizon North Inc (3).....	155,707,850	3	1.2	182,823,460	2	1.8
Indiana Michigan Power.....	141,453,818	4	1.1	100,447,590	3	1.0
IOM Health Systems.....	140,197,680	5	1.1	45,866,940	8	0.5
Walmart Stores East LP/RE Bus.....	80,412,690	6	0.6			
Parkview Health System Inc.....	69,133,988	7	0.5			
IMI Jefferson Pointe LLC.....	68,430,090	8	0.5			
Regency Canterbury LP.....	58,530,600	9	0.5			
St Joseph Health System LLC.....	57,989,120	10	0.5			
Dana Corporation.....				94,534,730	4	0.9
Uniroyal BF Goodrich.....				76,340,820	5	0.8
Lake County Trust/Landau & Hayden...				55,839,600	6	0.6
Slater Steel.....				47,100,590	7	0.5
Northern Indiana Public Service Co.....				44,265,160	9	0.4
General Electric Company.....				44,101,200	10	0.4
Total of Ten Largest Taxpayers.....	\$ 1,194,779,806		9.4 %	\$ 962,598,070		10.7 %

- (1) Represents assessed valuations for taxes due and payable in 2011.
- (2) Represents assessed valuations for taxes due and payable in 2002.
- (3) Formerly named General Telephone Operations during 2002.

Source: Allen County Auditor's Office.

This Page Intentionally Left Blank



**FORT WAYNE-ALLEN COUNTY
AIRPORT AUTHORITY**

FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

**Tax Levies and Collections
Last Ten Fiscal Years (1)
(Cash Basis)**

	2011	2010	2009	2008
Operating excise tax.....	\$ 260,647	\$ 249,758	\$ 250,714	\$ 252,375
Aircraft excise tax.....	18,071	16,382	17,134	19,726
Operating intangibles tax.....	16,277	15,125	12,438	26,446
Operating property tax.....	3,212,343	3,151,024	3,154,607	3,113,273
Operating commercial vehicle tax.....	18,065	17,016	14,504	27,753
Cumulative building property tax.....	384,085	399,938	421,466	513,690
Cumulative building excise tax.....	31,164	31,700	33,496	41,642
Cumulative building commercial vehicle tax...	2,160	2,160	1,938	4,579
Cumulative building intangibles tax.....	1,946	1,920	1,662	4,363
County option income tax.....	598,423	1,015,608	577,664	468,904
Debt service property tax.....	1,606,172	1,781,540	2,669,282	---
Debt service excise tax.....	130,324	141,210	212,142	---
Debt service commercial vehicle tax.....	9,032	9,620	12,272	---
Debt service intangibles tax.....	8,138	8,552	10,524	---
Total Authority tax receipts.....	\$ 6,296,847	\$ 6,841,553	\$ 7,389,843	\$ 4,472,751
 Rate per \$100 of assessed valuation.....	 0.0447	 0.0440	 0.0489	 0.0233

- (1) All tax receipts are shown on a cash basis.
- (2) County Auditor did not distribute all tax receipts due to a delay in reassessment. The balance of tax receipts was paid in June 2004. Total tax receipts for 2003 (including the amounts received in 2004) were \$3,961,978.
- (3) Due to a delay in reassessment, tax receipts for 2004 included \$1,608,192 from the 2003 tax levy.

**Allen County Property Tax
Levies and Collections
Last Ten Fiscal Years (1)**

	2011	2010	2009	2008
Total tax levy.....	\$ 316,973,671	\$ 319,525,460	\$ 337,853,052	\$ 468,378,102
Current tax collections (2).....	306,407,599	307,284,280	322,439,869	454,185,187
Percent of levy collected.....	96.7%	96.2%	95.4%	97.0%
Delinquent tax collections.....	7,492,374	5,437,834	12,026,170	10,843,230
Total tax collections.....	313,899,973	312,722,114	334,466,039	465,028,417
Percent of total tax collections to levy.....	99.0%	97.9%	99.0%	99.3%
Outstanding delinquent taxes.....	13,781,018	15,892,667	19,209,633	18,780,143
Percent of delinquent taxes to levy.....	4.3%	5.0%	5.7%	4.0%

- (1) The Authority does not maintain records of tax delinquencies. All taxes are collected and distributed by the Allen County Auditor.
- (2) Taxes collected in subsequent years was not available.

Source: Allen County Auditor's office

2007	2006	2005	2004 (3)	2003 (2)	2002
\$ 251,464	\$ 250,611	\$ 260,396	\$ 351,912	\$ 189,667	\$ 262,536
15,777	20,780	21,196	20,175	23,451	27,963
26,217	26,570	26,464	52,879	---	26,078
3,052,156	2,953,015	2,806,723	3,859,042	1,422,378	2,335,574
26,431	25,343	24,041	44,178	---	21,144
503,606	460,045	454,029	726,709	200,592	328,260
41,492	39,382	42,123	65,129	30,055	37,024
4,361	3,983	3,889	7,754	---	2,982
4,325	4,175	4,281	9,287	---	3,678
485,097	525,511	430,294	563,196	487,643	653,568
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
<u>\$ 4,410,926</u>	<u>\$ 4,309,415</u>	<u>\$ 4,073,436</u>	<u>\$ 5,700,261</u>	<u>\$ 2,353,786</u>	<u>\$ 3,698,807</u>
0.0233	0.0243	0.0237	0.0225	0.0217	0.0267

2007	2006	2005	2004	2003	2002
\$ 450,324,056	\$ 423,667,496	\$ 404,939,852	\$ 392,189,991	\$ 352,474,267	\$ 343,127,157
433,282,315	411,472,985	392,526,880	377,612,575	341,253,361	324,143,475
96.2%	97.1%	96.9%	96.3%	96.8%	94.5%
16,618,199	9,072,693	6,754,184	4,320,258	10,779,907	10,442,943
449,900,514	420,545,678	399,281,064	381,932,833	352,033,268	334,586,418
99.9%	99.3%	98.6%	97.4%	99.9%	97.5%
23,314,369	15,360,588	16,878,058	22,056,911	14,866,299	16,300,389
5.2%	3.6%	4.2%	5.6%	4.2%	4.8%

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

**Assessed Values of Property
Last Ten Fiscal Years (4)**

Allen County	2011	2010	2009	2008
Total assessed value (1) (2)(3).....	\$ 12,674,957,960	\$ 13,112,944,238	\$ 13,297,615,974	\$ 15,850,468,135

(1) Assessed values for real property for 2002 represent 1995 values.

The most recent general reassessment for real property was completed in 2002. Currently, property values are adjusted annually through trending based upon market value.

(2) Assessed values for personal property are updated annually.

(3) Beginning in 2003, Indiana changed to a market based approach for property assessments. For comparison purposes, assessed values and rates previously presented for 2002 have been adjusted: assessed values have been multiplied by 3 and rates below have been divided by 3.

(4) Source: Allen County Auditor's Office.

**Property Tax Rates and Tax Levies
Direct and Overlapping Governments
Last Ten Years (2)**

Allen County	2011	2010	2009	2008
Rates per \$100 of assessed valuation (1):				
Airport Authority Direct Rates				
Operating.....	\$ 0.0276	\$ 0.0260	\$ 0.0247	\$ 0.0200
Cumulative Building.....	0.0033	0.0033	0.0033	0.0033
Debt Service.....	0.0138	0.0147	0.0209	-
Total direct rates.....	0.0447	0.0440	0.0489	0.0233
Other municipal corporations.....	0.2365	0.2234	0.2145	0.1736
School Districts.....	0.9765	0.9201	0.8986	1.4403
Allen County.....	0.5155	0.5187	0.4638	0.5795
City of Fort Wayne.....	0.8365	0.7880	0.7484	0.6274
State of Indiana.....	0.0000	0.0000	0.0000	0.0205
Other.....	0.1178	0.1110	0.1159	0.0922
Totals.....	\$ 2.7275	\$ 2.6052	\$ 2.4902	\$ 2.9567

Levies:

Airport Authority.....	5,665,706	\$ 5,769,696	\$ 6,502,534	\$ 3,693,159
Other municipal corporations.....	29,974,604	29,291,300	28,526,107	27,512,551
School districts.....	123,771,008	120,653,166	119,496,983	228,289,216
Allen County.....	65,339,408	68,016,841	61,673,323	91,851,010
City of Fort Wayne.....	106,024,105	103,327,209	99,523,973	99,440,267
State of Indiana.....	-	-	-	3,249,346
Other.....	14,936,479	14,558,483	15,414,198	14,608,308
Totals.....	\$ 345,711,310	\$ 341,616,695	\$ 331,137,118	\$ 468,643,857

(1) School districts, the City, municipal corporations, and other rates represent countywide averages.

(2) Source: Allen County Auditor's Office

2007	2006	2005	2004	2003	2002
\$ 15,270,870,109	\$ 14,061,977,670	\$ 13,932,934,665	\$ 14,211,493,429	\$ 14,231,573,124	\$ 9,984,972,264

2007	2006	2005	2004	2003	2002
\$ 0.0200	\$ 0.0210	\$ 0.0204	\$ 0.0192	\$ 0.0184	\$ 0.0234
0.0033	0.0033	0.0033	0.0033	0.0033	0.0033
-	-	-	-	-	-
0.0233	0.0243	0.0237	0.0225	0.0217	0.0267
0.1744	0.1841	0.1806	0.1629	0.1654	0.2222
1.3876	1.5274	1.4790	1.4768	1.3042	1.7585
0.5343	0.5675	0.5452	0.4945	0.4215	0.4656
0.6512	0.5871	0.5566	0.5188	0.4500	0.5886
0.0206	0.0239	0.0235	0.0024	0.0223	0.1455
0.0915	0.0991	0.1011	0.0817	0.0830	0.1017
<u>\$ 2.8829</u>	<u>\$ 3.0133</u>	<u>\$ 2.9098</u>	<u>\$ 2.7597</u>	<u>\$ 2.4681</u>	<u>\$ 3.3088</u>

\$ 3,558,113	\$ 3,417,060	\$ 3,302,106	\$ 3,197,586	\$ 3,088,251	\$ 2,665,988
26,639,938	25,888,641	25,169,342	23,150,614	23,536,130	22,183,865
211,904,942	214,781,057	206,066,666	209,871,643	185,602,124	175,582,419
81,596,517	79,801,724	75,962,361	70,275,834	59,980,764	46,494,034
99,440,911	82,560,277	77,554,663	73,735,533	64,047,843	58,773,603
3,145,800	3,360,193	3,273,613	341,076	3,177,037	14,528,110
13,972,693	13,938,331	14,092,706	11,617,705	11,816,101	10,152,003
<u>\$ 440,258,914</u>	<u>\$ 423,747,283</u>	<u>\$ 405,421,457</u>	<u>\$ 392,189,991</u>	<u>\$ 351,248,250</u>	<u>\$ 330,380,022</u>

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

**Allen County
Property Values and Construction
Last Ten Fiscal Years**

	Building Permits (1)			
	Number Issued	Value of Buildings	Average Building Cost	Property Value (2)
2011.....	657	\$ 121,972,417	185,651	\$ 12,674,957,960
2010.....	706	122,188,517	173,072	13,112,944,238
2009.....	655	112,930,358	172,413	13,297,615,974
2008.....	632	117,262,580	185,542	15,850,468,135
2007.....	1,034	176,636,110	170,828	15,270,870,109
2006.....	1,167	205,597,856	176,176	14,061,977,670
2005.....	1,742	310,649,789	178,329	13,932,934,665
2004.....	1,799	306,494,445	170,369	14,211,493,429
2003.....	1,972	324,607,452	164,608	14,231,573,124
2002.....	2,070	315,471,492	152,402	9,984,972,264

Notes: (1) New single-family residences and duplexes

(2) Property value is the assessed value for taxes due and payable in the year stated.

Source: U.S. Census Bureau, and Allen County Auditor's Office.

This Page Intentionally Left Blank



**FORT WAYNE-ALLEN COUNTY
AIRPORT AUTHORITY**

FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

**Ratios of Outstanding Debt
Last Ten Fiscal Years**

	2011	2010	2009	2008
<u>Outstanding debt per enplaned passenger</u>				
Tax backed revenue bonds (1):				
Airport Improvement Bonds.....	\$ 5,056,074	\$ 6,930,272	\$ 8,738,220	\$ 10,478,179
First Mortgage Bonds.....	13,778,346	14,984,704	16,177,003	17,313,911
Revenue Bonds.....	-	-	-	-
Non-interest bearing loan.....	-	-	-	16,600
Financing agreement.....	-	-	-	-
Total outstanding debt.....	\$ 18,834,420	\$ 21,914,976	\$ 24,915,223	\$ 27,808,690
Enplaned passengers.....	277,938	277,101	266,176	287,343
Debt per enplaned passenger.....	\$ 67.76	\$ 79.09	\$ 93.60	\$ 96.78
 <u>Debt service per enplaned passenger</u>				
Net debt service.....	\$ 4,263,259	\$ 4,174,816	\$ 4,086,272	\$ 4,100,183
Enplaned passengers.....	277,938	277,101	266,176	287,343
Debt service per enplaned passenger.....	\$ 15.34	\$ 15.07	\$ 15.35	\$ 14.27

Notes: Details regarding the Authority's outstanding debt can be found in the notes to the financial statements.

(1) Tax-backed bonds are revenue bonds backed by ad valorem taxes that would be levied if airport revenues are insufficient.

Source: Authority's audited financial statements

	2007	2006	2005	2004	2003	2002
\$	12,166,033	\$ 13,694,365	\$ 15,150,665	\$ 15,871,805	\$ 17,612,789	\$ 18,792,025
	18,394,288	19,428,207	20,411,069	21,353,931	22,256,793	23,119,656
	-	1,443,497	2,116,301	3,132,230	4,088,788	5,006,773
	33,200	49,800	66,400	83,000	99,600	116,200
	-	-	-	-	-	16,920
\$	30,593,521	\$ 34,615,869	\$ 37,744,435	\$ 40,440,966	\$ 44,057,970	\$ 47,051,574
	298,639	274,889	316,339	338,681	306,077	301,044
\$	102.44	\$ 125.93	\$ 119.32	\$ 119.41	\$ 143.94	\$ 156.29
\$	5,487,179	\$ 4,752,303	\$ 4,470,762	\$ 5,482,530	\$ 5,470,958	\$ 5,470,181
	298,639	274,889	316,339	338,681	306,077	301,044
\$	18.37	\$ 17.29	\$ 14.13	\$ 16.19	\$ 17.87	\$ 18.17

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

**Pledged-Revenue Coverage
Last Ten Fiscal Years**

	2011	2010	2009	2008
1995 and 1998 Revenue Bonds:				
Gross revenues.....	\$ 16,999,282	\$ 16,742,569	\$ 17,840,617	\$ 14,404,399
Less:				
Building rental revenue (1).....	152,552	-	214,364	85,000
Passenger facility charges.....	1,099,255	1,102,936	1,031,684	1,114,786
Gain on disposal of capital assets.....	235,461	-	-	41,302
Operating expenses (2).....	9,733,870	9,140,132	9,441,167	9,622,759
	<u>11,221,138</u>	<u>10,243,068</u>	<u>10,687,215</u>	<u>10,863,847</u>
Net revenues available.....	<u>\$ 5,778,144</u>	<u>\$ 6,499,501</u>	<u>\$ 7,153,402</u>	<u>\$ 3,540,552</u>
Debt Service				
Principal.....	\$ -	\$ -	\$ -	\$ -
Interest.....	-	-	-	-
Total debt service.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Debt service coverage.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1998 First Mortgage Bonds (3) and 2011 First Mortgage Taxable Refunding Bonds				
Gross revenues.....	<u>\$ 152,552</u>	<u>\$ -</u>	<u>\$ 214,364</u>	<u>\$ 85,000</u>
Debt Service				
Principal.....	1,400,000	\$ 1,205,000	\$ 1,150,000	\$ 1,095,000
Interest.....	720,947	818,316	873,846	925,191
Total debt service.....	<u>\$ 2,120,947</u>	<u>\$ 2,023,316</u>	<u>\$ 2,023,846</u>	<u>\$ 2,020,191</u>
Debt service coverage.....	<u>0.07</u>	<u>-</u>	<u>0.11</u>	<u>0.04</u>

Notes: (1) Building rental revenue from a cargo carrier is pledged to the 1998 First Mortgage Bonds or 2011 First Mortgage Taxable Refunding Bonds. If building rental revenue is insufficient, then the levy of an ad valorem tax is mandatory. The Authority began levying property taxes in 2009.
(2) Operating expenses exclude depreciation expense
(3) The 1998 First Mortgage Bonds were refunded with the 2011 First Mortgage Taxable Refunding Bonds on February 24, 2011.

Source: Authority's audited financial statements and bond trust indentures.

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 16,147,056	\$ 16,915,423	\$ 16,296,300	\$ 16,477,799	\$ 15,334,056	\$ 15,527,342
1,527,754	2,025,300	2,025,300	2,025,300	2,025,300	2,025,300
1,136,120	1,059,924	812,956	887,160	794,951	768,351
21,617	-	184,937	-	1,257	12,934
<u>8,956,795</u>	<u>7,910,172</u>	<u>8,326,185</u>	<u>8,344,610</u>	<u>7,329,542</u>	<u>7,052,830</u>
<u>11,642,286</u>	<u>10,995,396</u>	<u>11,349,378</u>	<u>11,257,070</u>	<u>10,151,050</u>	<u>9,859,415</u>
<u>\$ 4,504,770</u>	<u>\$ 5,920,027</u>	<u>\$ 4,946,922</u>	<u>\$ 5,220,729</u>	<u>\$ 5,183,006</u>	<u>\$ 5,667,927</u>
\$ 705,000	\$ 675,000	\$ 1,020,000	\$ 965,000	\$ 930,000	\$ 885,000
<u>26,140</u>	<u>74,701</u>	<u>111,470</u>	<u>165,432</u>	<u>215,894</u>	<u>263,684</u>
<u>\$ 731,140</u>	<u>\$ 749,701</u>	<u>\$ 1,131,470</u>	<u>\$ 1,130,432</u>	<u>\$ 1,145,894</u>	<u>\$ 1,148,684</u>
<u>6.16</u>	<u>7.90</u>	<u>4.37</u>	<u>4.62</u>	<u>4.52</u>	<u>4.93</u>
<u>\$ 1,527,754</u>	<u>\$ 2,025,300</u>				
\$ 1,050,000	\$ 1,000,000	\$ 960,000	\$ 920,000	\$ 880,000	\$ 840,000
<u>973,951</u>	<u>1,014,664</u>	<u>1,058,545</u>	<u>1,100,107</u>	<u>1,139,920</u>	<u>1,177,982</u>
<u>\$ 2,023,951</u>	<u>\$ 2,014,664</u>	<u>\$ 2,018,545</u>	<u>\$ 2,020,107</u>	<u>\$ 2,019,920</u>	<u>\$ 2,017,982</u>
<u>0.75</u>	<u>1.01</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Allen County Demographic and Economic Statistics

<u>Year</u>	<u>Population (1)(4)</u>	<u>Personal Income (Thousands) (2)(4)</u>	<u>Per Capita Personal Income (2)(4)</u>	<u>Unemployment Rate (3)</u>
2011	358,327	N/A	N/A	9.1 %
2010	355,329	N/A	N/A	10.3
2009	353,888	\$ 12,059,652	\$ 34,078	10.2
2008	350,523	12,297,412	35,021	6.0
2007	349,488	12,056,930	34,515	4.7
2006	346,144	11,600,969	33,531	4.9
2005	343,112	10,888,231	31,754	5.2
2004	340,922	10,705,324	31,424	5.2
2003	339,292	10,321,724	30,423	5.3
2002	337,076	10,247,924	30,403	5.0
2001	334,909	10,048,076	29,999	4.1

N/A - Not Available

(1) Source: U.S. Census Bureau: 2010 - Census figures; all other years are July 1 intercensal estimates

(2) Source: U.S. Department of Commerce, Bureau of Economic Analysis (BEA). Per capita personal income was computed by the BEA using midyear population estimates.

(3) Source: U.S. Department of Labor, Bureau of Labor Statistics

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

**Allen County
Principal Employers
Current Year and Nine Years Ago**

Principal Employers - Name	2011			2002		
	Employees	Rank	Percent of Total Employment	Employees	Rank	Percent of Total Employment
Parkview Health Systems.....	4,710	1	2.6 %	3,648	1	2.2 %
Lutheran Health Network.....	4,301	2	2.4	2,889	4	1.6
Fort Wayne Community Schools.....	4,159	3	2.3	3,445	2	1.9
General Motors - Truck & Bus Group...	3,610	4	2.0	3,050	3	1.7
The City of Fort Wayne.....	2,003	5	1.1	1,671	7	0.9
Lincoln Financial Group.....	1,983	6	1.1	2,108	6	1.2
Allen County Government.....	1,605	7	0.9	1,585	8	0.9
BF Goodrich.....	1,580	8	0.9			0.0
Frontier Communications Corp.....	1,400	9	0.8			0.0
IPFW.....	1,255	10	0.7			0.0
Verizon Telephone Operations.....				2,214	5	1.2
SIRVA.....				1,570	9	0.9
Shambaugh & Sons.....				1,500	10	0.8
Total of Ten Largest Employers.....	26,606		15.0 %	23,680		13.4 %

Source: the Community Research Institute of IPFW and the Bureau of Labor Statistics.

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Fort Wayne International Airport Information

Airport Classification: Primary Commercial Service Airport
 Airfield Size: 3,609 Acres Owned Fee Simple

Runway System (and Equipment)	2011	2010	2009	2008
Runway System (and Equipment)				
Primary Runway				
Runway 5-23 NE to SW (150' Wide) (Cat. II, ILS) Length - Feet...	11,981	11,981	11,981	11,981
Secondary Runways				
Runway 14-32 SE to NW (150' Wide)(Cat I, ILS) Length - Feet....	8,001	8,001	8,001	8,001
Runway 09-27 East to West (75" Wide) Length - Feet.....	4,001	4,001	4,001	4,001
Terminal Complex				
Total Space (Sq Feet).....	114,813	114,813	114,813	114,813
Rentable Space (Sq Feet).....	104,505	104,505	104,505	104,505
Airline Exclusive Space (Sq Feet).....	6,059	6,059	6,059	14,373
Common Space (Sq Feet).....	39,557	39,557	39,557	38,123
Restaurant Space (Sq Feet).....	7,858	7,858	7,858	7,858
Car Rental Space (Sq Feet).....	1,536	1,536	1,536	1,920
Taxi/Limousine Space (Sq Feet).....	384	768	384	384
Passenger Gates.....	8	8	8	8
Jetway Boarding Bridges.....	4	4	4	4
Regional Boarding Ramps.....	1	1	1	1
Passenger Airlines.....	4	4	5	6
Daily Departures.....	18	18	28	25
Car Rental Firms.....	6	6	5	5
Parking Spaces.....	2,167	2,167	2,167	2,167
Air Trade Center				
Land Area - Acres (Includes 85 in Foreign Trade Zone).....	450	450	450	450
Cargo Sorting Facility (Sq Feet).....	250,299	250,299	250,299	250,299
Operations Building (Sq Feet).....	33,429	33,429	33,429	33,429
Maintenance Building (Sq Feet).....	10,280	10,280	10,280	10,280
Ancillary Services				
Cargo Airlines.....	2	2	2	2
General Aviation				
Fixed Base Operators.....	1	1	1	1
Based Aircraft.....	54	55	64	68
Military Based Aircraft.....	18	21	17	15
Airpark Buildings Owned.....	27	27	27	27
Employees				
Administration Full-time.....	16	16	18	18
Administration Part-time.....	1	2	2	1
Maintenance Full-time.....	16	18	19	19
Maintenance Seasonal.....	6	10	10	10
Custodial Full-time.....	7	6	7	7
Public Safety Full-time.....	12	11	12	13
Public Safety Part-time.....	16	13	13	14
CSA Part-time.....	8	9	8	9
Smith Field Full-time.....	2	1	2	3
Smith Field Part-time.....	2	2	2	2
Operations Full-time.....	4	-	-	-

2007	2006	2005	2004	2003	2002
11,981	11,981	12,000	12,000	12,000	12,000
8,001	8,001	8,001	8,001	8,001	8,001
4,001	4,001	4,001	4,001	4,001	4,001
114,813	114,813	114,813	114,813	114,813	114,813
104,505	104,505	104,505	104,505	104,505	104,505
14,373	14,373	14,373	14,373	14,373	14,373
38,468	38,468	38,468	38,468	38,468	38,687
7,858	7,858	7,858	7,858	7,858	7,639
1,920	1,920	1,920	1,920	1,920	1,920
384	384	384	384	-	-
8	8	8	8	8	8
4	4	4	4	4	4
1	1	1	1	-	-
6	5	5	6	9	10
33	33	35	37	34	34
5	5	5	5	4	4
2,167	2,068	2,068	1,485	1,505	1,505
450	450	450	450	450	450
250,299	250,299	250,299	250,299	250,299	250,299
33,429	33,429	33,429	33,429	33,429	33,429
10,280	10,280	10,280	10,280	10,280	10,280
3	3	3	3	3	4
1	1	1	2	2	2
66	68	69	78	84	89
15	15	15	15	15	15
27	27	22	22	28	32
19	18	18	17	17	18
1	1	1	2	2	2
19	19	19	19	19	19
10	9	10	10	10	8
8	8	8	8	8	8
13	13	13	13	13	13
13	16	-	-	35	35
9	-	-	-	-	-
3	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

**Fort Wayne International Airport
Enplaned Passengers
(Listed by Current Rank)**

Airline	2011	Percent of Total 2011	2010	2009	2008
Pinnacle Airlines-Delta/Northwest Airlin	93,168	33.52 %	85,836	47,446	38,689
American Eagle.....	73,427	26.42	67,379	62,818	73,304
Allegiant Air.....	41,641	14.98	43,537	37,220	37,332
Skywest-Delta/United Express.....	33,995	12.23	40,689	24,804	13,663
Comair (1).....	25,862	9.30	9,928	3,133	---
ASA-Delta Express.....	7,972	2.87	14,933	31,511	39,007
Charter.....	1,536	0.55	1,842	1,963	1,587
Mesaba-Delta/Northwest Airlin	245	0.09	8,633	11,240	13,936
Chautaugua- Delta Express.....	92	0.03	4,324	30,854	35,076
Continental Connection-Comm	---	---	---	8,799	16,112
Mesa Airlines-United Express(1).....	---	---	---	6,388	18,637
Air Wisconsin (1).....	---	---	---	---	---
Chicago Express- ATA Connection (1).....	---	---	---	---	---
Atlantic Coast (1).....	---	---	---	---	---
Shuttle America (1).....	---	---	---	---	---
Trans States (1).....	---	---	---	---	---
Chautaugua Airlines-USAir Express (1).....	---	---	---	---	---
PSA Airlines (1).....	---	---	---	---	---
Allegheny (1).....	---	---	---	---	---
Piedmont Airlines (1).....	---	---	---	---	---
Total.....	<u>277,938</u>	<u>100.00 %</u>	<u>277,101</u>	<u>266,176</u>	<u>287,343</u>
Percentage change.....	<u>0.30%</u>		<u>4.10%</u>	<u>-7.37%</u>	<u>-3.78%</u>

(1) No longer serves Fort Wayne International Airport.

Source: Compiled from airline station managers' monthly reports.

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
41,845	43,170	43,774	51,826	47,244	36,162
83,863	74,913	77,308	70,897	60,690	60,726
35,288	---	---	---	---	---
15,063	28,991	21,842	27,301	---	---
14	15,545	55,600	43,168	11,880	47,045
36,115	20,564	44,601	23,540	39,929	39,480
1,084	801	1,788	1,858	2,089	2,122
7,677	12,604	22,198	18,754	15,050	21,017
39,253	43,188	---	9,914	---	---
13,115	12,352	12,099	10,539	3,677	---
25,322	23,846	8,009	---	---	---
---	---	25,190	6,344	11,384	12,219
---	---	3,930	17,001	---	---
---	---	---	41,913	69,055	37,054
---	---	---	15,626	27,115	13,024
---	---	---	---	17,964	12,113
---	---	---	---	---	14,458
---	---	---	---	---	2,504
---	---	---	---	---	1,670
---	---	---	---	---	1,450
<u>298,639</u>	<u>275,974</u>	<u>316,339</u>	<u>338,681</u>	<u>306,077</u>	<u>301,044</u>
<u>8.21%</u>	<u>-12.76%</u>	<u>-6.60%</u>	<u>10.65%</u>	<u>1.67%</u>	<u>-2.02%</u>

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

**Fort Wayne International Airport
Airline Landing Weights (2)
(Listed by Current Rank Within Category)**

Scheduled Air Carriers:	Percent of Total		2010	2009	2008
	2011	2011			
Pinnacle Airlines-Delta/Northwest Airli	120,299,500	23.45 %	101,849,000	72,662,000	67,116,000
American Eagle.....	84,325,073	16.44	75,029,219	78,882,778	98,087,976
Skywest-United Express.....	47,644,000	9.29	52,157,100	37,297,000	28,146,000
Allegiant Air.....	41,819,000	8.15	44,848,000	37,748,000	41,924,500
Comair	34,263,000	6.68	11,374,000	3,976,100	---
ASA-Delta Express.....	9,460,000	1.84	16,027,000	36,895,000	46,362,000
Charter.....	4,905,484	0.96	5,389,200	4,910,520	3,764,336
Mesaba-Delta/Northwest Airlink.....	235,000	0.05	9,754,500	11,599,500	17,043,000
Mesa Airlines-United Express.....	134,000	0.03	67,000	11,212,000	29,601,000
Chautauqua-Delta Express.....	85,098	0.02	4,595,292	34,718,220	43,667,502
Continental Connection - Commutair(1)	---	---	---	21,942,000	37,845,000
Northwest(1).....	---	---	---	---	481,000
Air Wisconsin(1).....	---	---	---	---	---
Shuttle America(1).....	---	---	---	---	---
Chicago Express- ATA(1).....	---	---	---	---	---
Atlantic Coast Airlines(1).....	---	---	---	---	---
Trans States Airlines(1).....	---	---	---	---	---
Chautauqua-USAir Express(1).....	---	---	---	---	---
PSA(1).....	---	---	---	---	---
Allegheny(1).....	---	---	---	---	---
Piedmont Airlines(1).....	---	---	---	---	---
American Connection(1).....	---	---	---	---	---
Subtotal.....	343,170,155	66.90	321,090,311	351,843,118	414,038,314
Cargo Carriers:					
United Parcel Service.....	85,260,000	16.62	86,520,000	86,568,000	96,600,000
Federal Express.....	83,194,000	16.22	83,537,700	82,010,000	82,963,000
Kalitta Charters.....	1,187,460	0.23	750,000	---	---
Northern Air Cargo.....	114,000	0.02	107,000	---	---
Mountain Air Cargo.....	17,000	0.00	44,660	17,000	8,500
Kitty Hawk Inc.(1).....	---	---	---	---	---
ABX Air(1).....	---	---	---	---	---
Arrow Cargo(1).....	---	---	---	---	---
Centurion Air Cargo(1).....	---	---	---	---	---
Evergreen International Airlines(1)....	---	---	---	---	---
Gemini Air Cargo(1).....	---	---	---	---	---
World Airways(1).....	---	---	---	---	---
Custom Air Transport(1).....	---	---	---	---	---
Air Transport Intl(1).....	---	---	---	---	---
Kalitta Air(1).....	---	---	---	---	---
Air Cargo Carriers(1).....	---	---	---	---	---
UPS-Supply Chain Solutions(1).....	---	---	---	---	---
Capital Cargo International(1).....	---	---	---	---	---
Royal Air Freight(1).....	---	---	---	---	---
Air Cargo Express(1).....	---	---	---	---	---
Subtotal.....	169,772,460	33.10	170,959,360	168,595,000	179,571,500
Grand Total.....	512,942,615	100.00 %	492,049,671	520,438,118	593,609,814
Percentage change.....	4.25%		-5.45%	-12.33%	-35.09%

(1) No longer serves Fort Wayne International Airport.

(2) Expressed in pounds.

Source: Compiled from airline station manager's monthly reports.

2007	2006	2005	2004	2003	2002
65,914,100	61,899,000	69,513,000	80,887,000	64,296,000	22,842,000
105,730,596	91,725,601	93,301,303	89,112,842	84,372,923	85,090,368
28,294,000	42,856,000	33,437,000	39,151,000	---	---
39,483,000	---	---	---	---	---
161,000	26,098,000	88,151,000	65,961,000	20,089,000	81,800,000
44,462,000	29,234,000	63,403,000	27,689,000	55,174,000	53,979,000
2,310,580	2,142,180	3,045,000	3,681,956	4,017,848	2,778,000
10,488,000	15,304,500	24,567,000	19,821,900	17,027,200	29,170,700
42,654,000	35,800,000	11,722,000	---	---	---
53,547,450	60,871,656	---	11,972,309	---	---
20,681,300	20,102,600	19,222,800	17,911,400	7,951,400	---
---	---	---	---	15,110,000	60,473,900
---	---	34,904,500	10,058,000	15,587,500	17,987,813
---	---	9,819,200	30,083,200	44,200,000	25,704,000
---	---	8,265,000	23,427,000	---	---
---	---	---	57,959,176	104,587,384	56,006,020
---	---	---	---	22,800,260	20,602,040
---	---	---	---	---	23,065,600
---	---	---	---	---	4,754,221
---	---	---	---	---	4,450,500
---	---	---	---	---	2,691,000
---	---	---	---	---	2,673,860
<u>413,726,026</u>	<u>386,033,537</u>	<u>459,350,803</u>	<u>477,715,783</u>	<u>455,213,515</u>	<u>494,069,022</u>
95,955,500	101,508,120	95,965,500	95,031,500	88,726,500	89,410,500
82,486,000	81,547,000	82,982,500	82,755,500	82,131,000	80,745,000
---	---	---	---	---	---
---	---	---	---	---	---
25,500	---	8,500	17,000	---	---
294,015,200	494,552,574	519,577,143	613,005,670	523,443,013	533,616,560
28,300,000	61,818,000	---	---	---	---
---	29,020,000	---	---	---	---
---	28,613,000	---	---	---	---
---	13,680,000	---	---	---	---
---	11,013,000	---	---	---	---
---	10,104,000	---	---	---	---
---	6,907,000	---	---	---	---
---	3,646,000	---	---	54,484,000	---
---	3,085,000	---	---	---	---
---	48,700	---	---	---	---
---	---	1,857,820	---	---	---
---	---	975,000	---	---	483,000
---	---	28,660	---	---	---
---	---	---	---	2,086,240	7,737,760
<u>500,782,200</u>	<u>845,542,394</u>	<u>701,395,123</u>	<u>790,809,670</u>	<u>750,870,753</u>	<u>711,992,820</u>
<u>914,508,226</u>	<u>1,231,575,931</u>	<u>1,160,745,926</u>	<u>1,268,525,453</u>	<u>1,206,084,268</u>	<u>1,206,061,842</u>
<u>-25.74%</u>	<u>6.10%</u>	<u>-8.50%</u>	<u>5.18%</u>	<u>0.00%</u>	<u>-11.16%</u>

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Aircraft Operations (5) (7)

Fort Wayne International Airport:

Type of Operation	2011	Percent of Total 2011	2010	2009	2008
Large Air Carrier (1).....	19,713	51.4 %	18,900	22,129	23,079
Small Air Carrier (2).....	---	---	---	1,272	2,334
Air Carrier (3).....	---	---	---	---	---
Air Taxi (4).....	---	---	---	---	---
General Aviation.....	15,786	41.2	20,193	26,592	39,502
Military.....	2,859	7.6	1,868	4,271	4,239
Subtotal-International.....	38,358	100.0	40,961	54,264	69,154
<u>Smith Field Airport:</u>					
General Aviation(6).....	---	---	---	9,043	9,125
Subtotal-Smith Field.....	---	---	---	9,043	9,125
Total Airport Authority.....	38,358	100.0 %	40,961	63,307	78,279
Percentage change.....	-6.35%		-35.30%	-19.13%	7.69%

(1) Aircraft that seat, or are capable of seating, 31 or more passengers.

(2) Aircraft that seat, or are capable of seating, more than 9 passengers but less than 31 passenger seats.

(3) Aircraft that seat, or are capable of seating, 60 or more passengers.

(4) Aircraft that seat, or are capable of seating, less than 60 passengers.

(5) An aircraft operation can be either a landing or a take-off.

(6) The Authority no longer reports operations at Smith Field.

(7) Sources: Fort Wayne International Airport FAA Air Traffic Control Tower; Kruse Aviation, Smith Field; and Smith Field Air Service, Smith Field.

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
27,360	31,078	34,865	38,649	---	---
2,367	2,422	2,316	2,158	---	---
---	---	---	---	12,388	11,982
---	---	---	---	27,108	28,012
31,963	34,953	37,111	38,881	36,135	46,785
<u>3,861</u>	<u>4,692</u>	<u>4,196</u>	<u>3,657</u>	<u>4,483</u>	<u>5,204</u>
<u>65,551</u>	<u>73,145</u>	<u>78,488</u>	<u>83,345</u>	<u>80,114</u>	<u>91,983</u>
<u>7,141</u>	<u>7,440</u>	<u>11,876</u>	<u>13,249</u>	<u>8,733</u>	<u>8,431</u>
<u>7,141</u>	<u>7,440</u>	<u>11,876</u>	<u>13,249</u>	<u>8,733</u>	<u>8,431</u>
<u>72,692</u>	<u>80,585</u>	<u>90,364</u>	<u>96,594</u>	<u>88,847</u>	<u>100,414</u>
<u>-9.79%</u>	<u>-10.82%</u>	<u>-6.45%</u>	<u>8.72%</u>	<u>-11.52%</u>	<u>-6.89%</u>

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

**Fort Wayne International Airport
Scheduled Airline Service**

<u>Carrier</u>	<u>Non-stop Service Destination</u>	<u>Service Type</u>
Allegiant Air	Orlando/Sanford (SFB)	Jet (MD-82/83/87/88)
	Tampa/St. Petersburg/Clearwater (PIE)	Jet (MD-82/83/87/88)
	Myrtle Beach (MYR) - Seasonal	Jet (MD-82/83/87/88)
American Eagle	Chicago (ORD)	Jet (ERJ)
	Dallas/Fort Worth (DFW)	Jet (ERJ)
Delta Connection		
Pinnacle	Detroit (DTW)	Jet (CRJ)
Pinnacle	Atlanta (ATL)	Jet (CRJ)
Pinnacle	Minneapolis (MSP)	Jet (CRJ)
United Express		
Sky West	Chicago (ORD)	Jet (CRJ)

FORT WAYNE – ALLEN COUNTY AIRPORT AUTHORITY
Fort Wayne, Indiana

**REPORT ON FEDERAL AWARDS IN ACCORDANCE WITH THE
U.S. OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-133**

Year Ended December 31, 2011

**FORT WAYNE – ALLEN COUNTY AIRPORT AUTHORITY
Fort Wayne, Indiana**

**REPORT ON FEDERAL AWARDS IN ACCORDANCE WITH THE U.S. OFFICE OF
MANAGEMENT AND BUDGET CIRCULAR A-133
Year Ended December 31, 2011**

CONTENTS

REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	1
REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	5
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	7

REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Fort Wayne – Allen County Airport Authority
Fort Wayne, Indiana

We have audited the financial statements of the Fort Wayne – Allen County Airport Authority (the Authority) as of and for the year ended December 31, 2011, and have issued our report thereon dated June 12, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Crowe Horwath LLP

Crowe Horwath LLP

Indianapolis, Indiana
June 12, 2012

REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Fort Wayne – Allen County Airport Authority
Fort Wayne, Indiana

Compliance

We have audited the compliance of the Fort Wayne – Allen County Airport Authority (the Authority) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2011, as well as Passenger Facility Charges. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Supplementary Schedule of Expenditures of Federal Awards

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the Authority as of and for the year ended December 31, 2011, and have issued our report thereon dated June 12, 2012 which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the Authority's financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the Board of Directors, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Crowe Horwath LLP

Indianapolis, Indiana
June 12, 2012

**FORT WAYNE - ALLEN COUNTY AIRPORT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2011**

<u>Federal Grant Description</u>	<u>Federal CFDA Number</u>	<u>2011 Expenditures</u>
US Department of Transportation		
Federal Aviation Administration: Airport Improvement Program		
3-18-0024-11	20.106	136,349
3-18-0024-12	20.106	150,000
3-18-0022-54	20.106	54,511
3-18-0022-56	20.106	75,000
3-18-0022-57	20.106	356,936
3-18-0022-58	20.106	<u>1,248,901</u>
	Total AIP	2,021,697
Small Community Air Service Development Program	20.930	180,457
Transportation Security Administration		
Law Enforcement Officer Reimbursement Program	97.090	<u>132,182</u>
Total expenditures of federal awards		<u>\$ 2,334,336</u>
Federal Aviation Regulation, Part 158		
Passenger Facility Charges		<u>\$ 1,240,000</u>
	Total Expenditures	<u>\$ 3,574,336</u>

FORT WAYNE – ALLEN COUNTY AIRPORT AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2011

1. Basis of Presentation:

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs received by the Fort Wayne – Allen County Airport Authority (the Authority). The Authority's reporting entity is defined in Note 1 to the Authority's financial statements.

2. Basis of Accounting:

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of the financial statements.

3. Special Tests and Provisions:

Special tests and provisions for the Airport Improvement Program (AIP) include review of the Authority's policy for using airport revenue to determine whether all airport revenue is accounted for and used for the capital or operating costs of the airport.

The Passenger Facility Charges (PFC) were tested for compliance with requirements outlined in Federal Aviation Regulation, Part 158. While this program is not federally funded, it is included in the Supplementary Schedule of Expenditures of Federal Awards as an annual audit of the program is required by Federal Aviation Regulation, Part 158. In accordance with instructions for completing the Form SF-SAC, Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations, PFC expenditures were not included as federal awards expended during the fiscal year as shown in Part III of Form SF-SAC. They are included in the Schedule of Expenditures of Federal Awards for informational purposes only.

**FORT WAYNE – ALLEN COUNTY AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2011**

SECTION 1 – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

 Material weakness(es) identified? Yes X No

 Significant deficiencies identified not
 considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal Control over major programs:

 Material weakness(es) identified? Yes X No

 Significant deficiencies identified not
 considered to be material weaknesses? Yes X None Reported

Type of auditor’s report issued on compliance for
major programs: Unqualified

Any audit findings disclosed that are required to be
reported in accordance with Section .510(a) of
OMB Circular A-133? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u> 20.106	<u>Name of Federal Program or Cluster</u> U.S. Department of Transportation Federal Aviation Administration: Airport Improvement Program
---------------------------------	--

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes No

SECTION 2 – FINDINGS RELATED TO THE FINANCIAL STATEMENTS THAT ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.

There were no findings for the year ended December 31, 2011.

SECTION 3 – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS INCLUDING AUDIT FINDINGS AS DEFINED IN OMB CIRCULAR A-133 SECTION 510(a).

There were no findings for the year ended December 31, 2011.

SECTION 4 – SUMMARY OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs reported for the year ended December 31, 2010.